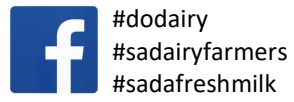


# 2023 Annual Report



[www.sada.asn.au](http://www.sada.asn.au)

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## Mission Statement

“To provide strong leadership and effective advocacy enabling a growing profitable and sustainable industry for members.”

## Our Values

Integrity

Representation

Respect

Ethical Practice

Passion

Accountability





# 2022—2023 Annual Report

## Table of Contents

President's Report.....	4
CEO's Report .....	6
Key Priority Areas .....	7
Membership .....	10
Financial.....	11
Communication.....	12
Advocacy and Relevance.....	13
Board and Governance .....	14
Industry Growth .....	15
Management of SADA Fresh.....	16
The Board .....	17
Financial Report .....	18



# President's Message

Robert Brokenshire | *President*



In writing this report I firstly want to acknowledge the excellent work over a six year period John Hunt and his board did for us as SADA members and for the broader dairy industry especially his leadership and vision to push for the Mandatory Code which is proving to be valuable for farmers as we strive to have sustainable farm gate milk pricing.

Coming into this role mid year it has been both a learning curve for me and busy time for our industry and I want to thank our board of dedicated and experienced Farmers and our small but energetic team of staff for the work they are doing to progress advocacy, policy development and general support for our Farmer members. I also acknowledge the professional working relationship SADA enjoys with Minister Scriven, her Government colleagues and Members of Parliament, the CE of PIRSA Professor Medhi Doroudi and his team, DairySAFE and our Dairy Processors. I intend to use the privilege of over 22 years of service and experience I gained in Parliament to support our Dairy Industry and look forward to seeing a strong, robust industry into the future.

Whilst milk pricing for most Farmers has seen improvement over the last year it has been well and truly offset by significant inflation in farm input costs and interest rate costs.

Processors have advised SADA that they are short of milk supply in SA and it is our goal to work with existing Farmers and hopefully some new entrants to increase milk production in coming years. Pathways to enter our industry need developing and we are working with Government and our industry partners to develop a solid career path.

It is refreshing and positive to see many young people in schools across the state showing interest in Cows Create Careers and of course the large numbers and enthusiasm of young South Australians involved in

cattle handling and judging at the recent successful Royal Adelaide Show. SADA were again pleased to host a dairy dinner for these young people and network with them to promote our industry.

Our River Murray Dairy Farmers have been in very challenging times with the floods and whilst there is still considerable recovery work required SADA have been pleased to work with Farmers affected by the floods and PIRSA to facilitate pumping of their flats and assistance with grant applications.

At present there are a number of State Government Bills being tabled and SADA is focussed on a number of important bills, including a complex Biosecurity Bill, the EPA are also reviewing their Dairy Codes and relevant management plan requirements and SADA has been advised that we will be able to comment on the draft when completed. As dairy effluent management will become a focus in the future SADA is putting John Elferink through an effluent management course in order that we will be able to assist our members with future effluent management plans.

We are also advocating to Government both Federal and State that whilst we accept that we need to play our part in emissions reductions the Dairy Industry is a leader in both targets and actual reductions. Therefore, we are asking Governments not to make draconian policies on our Farmers such as we are seeing in New Zealand, Ireland, the Netherlands and England that are placing unnecessary burdens on their Farmers and seeing a reduction in those countries production. Good and balanced Government policy should allow a reduction in emissions but also an opportunity to grow our national production, an important opportunity for our Dairy Industry as the world demand for protein will continue to grow.

At present we are seeing a slow down in world consumption and demand due to the impact of inflation and interest rates in many countries, however analysts report that this should start to positively change late this calendar year or early in 2024.

SADA has recently surveyed our members on a range of dairy issues and it was pleasing to see a significant number of Farmers either spending now or planning to spend on dairy upgrades, this is exciting as it shows confidence going forward for our industry.



## CEO's Message

Andrew Curtis  
Chief Executive Officer

The past year has been an eventful year to say the least. In February after more than a decade on the Board and the past six at the helm, **President John Hunt** announced his decision to step away from the board. Some highlighted achievements over the past 10 years for John would have to start with the South Australian Dairy Industry Action Plan 2019-2024, which the industry, government and national peaks have backed and stood by since its launch in 2019. The growth and success of the SADA Fresh model has also been an area of satisfaction, providing a source of funds to better the industry.

Following this SADA was pleased to announce the appointment of the **Hon Robert Brokenshire** as President. Robert is a dairy farmer from Mount Compass and former member of the South Australian Parliament. The dairy is in an expansion stage at the moment and while they milk in a conventional herringbone dairy, they are in the process of upgrading to a high-tech rotary. Robert has said whilst there are ongoing challenges and complexities in modern dairy farming, there are also great opportunities to sustainably grow both dairy farm gate returns and overall milk production. We are pleased to have Roberts leadership as SADA partners with processors, government, retailers and consumers making sure this happens."

Also in February the state moved from response to recovery phase for **SA River Murray Flood**. The Major Emergency Declaration was revoked and the State Emergency Centre was deactivated. With the recovery phase initiated, **re-establishment of the levee network and dewatering process** is the highest priority for producers, whilst the planning process is underway, recovery of the Lower Murray Reclaimed Irrigation Area will be a complex process to assess and undertake the works required.

In May the **Federal Budget** was released with SADA welcoming the Commonwealth's announcement of an additional \$1 billion for biosecurity measures in the budget, however, question how that money will be spent. An increase to levies paid by farmers needs clarification, as they represent an impost on farmers. Rob Brokenshire responded: *"As a farming organisation we do welcome this increased attention to this vital part of our economy. However, we now expect to be consulted by the Government as to how this money will be spent in the coming years. As farmers we have a vital interest in ensuring this money is expended in the most effective and efficient way possible. Edicts from government far away, rather than effective consultation, still risks sub-optimal outcomes. SADA stands ready to work with the Commonwealth and the department to assist in ensuring this extra money delivers genuine bang for buck over the next four years."*

### **Veterinary Services Bill – A new legislative framework for SA.**

The SA Government circulated proposed draft bill to replace the veterinary laws in SA. SADA picked up on a number of problems with the bill which would have had the unintended consequence of making dairy farmers potential law breakers if they were seen to put any form of pressure on vets, (including contesting bills). The SA Government agreed with SADA's interpretation of the proposed laws and subsequently made substantial changes to the bill to ensure this unintended consequence didn't become manifest.

### **MDB Plan**

The aim of the Murray Darling Basin plan is primarily environmental. This was the finding of the Royal Commission into the Murray Darling Basin Scheme. The 605 GL is legislated, as is the 450 GL. The Commonwealth now states that only 26% of the 450 GL has been achieved, up from 2% when Labor took office. SADA continues to maintain a position that the plan should be outcomes based rather than volume based. The reason for this is that it encourages government to work towards solutions rather than inviting intransigence or positional absolutism from policy makers.

### **Lower Limestone Coast Water Allocation Plan**

Based on recommendations from the science review, a new assessment of the risk to water resources in the Lower Limestone Coast, supported by the Stakeholder Advisory Group, was undertaken. A summary of the outcomes of the risk assessment was published and the Minister will now consider the outcomes of the science review and the risk assessment.

### **National Agriculture Traceability Regulatory Technology Research**

In late 2021 SADA in company with a business called Datahash and with the assistance of the Fleurieu Milk Company, conducted the traceability alpha trial in SA. The alpha trial was funded by the South Australian Dairy Industry Fund which is capitalised by the sale of SADA Fresh milk.

This trial used blockchain/distributed ledger technology to trace milk from the farmer's vat to the outgoing loading dock of the processor. The alpha trial success attracted national attention from businesses such as GS1, (the group which issue barcodes internationally) and Woolworths.

After discussions with Woolworths, GS1, Dairysafe SA (the state-based regulator) and Datahash, it was agreed that the technology was so promising that an expanded trial needed to be conducted in SA to cover the supply chain from the cow to the customer.

The importance of this work will see improvements across the whole supply chain and become visible to all participants in it, including the customer. While not in the scope of this trial this technology will eventually enable farmers to be paid instantly at time of pick up and will be able to trace where their milk went all the way to the customer.





# Key Priority Areas

In 2016 SADA developed a strategic plan to create a clear pathway for the future. In 2019 the plan was extended to operate for another two years to the year ending 2021. To further pursue SADA's vision for the future the South Australian Dairy Industry Action Plan 2019-2024 was developed. The plan has now been widely adopted across industry including by many processors.

The Strategic Plan of SADA maintains five Key priority areas. These areas form the spine of SADA's activities.

1. Membership
2. Financials
3. Communication
4. Advocacy and Relevance
5. Industry Growth

SADA continues to focus on its members but has adopted a position of leadership and partnership within the industry enabling the expansion of SADA's role. Using this expanded role the South Australian dairy industry as a whole has seen an increase in productivity. There continues to be an increasing concentration of productivity in fewer but more efficient farms.

The plan continues to represent the needs of SADA and its members. Fair contractual arrangements, industry confidence, social licence and regulatory oversight are all issues that are top of mind for the members of SADA. It is SADA's function to advocate, represent, lobby and to address these real and present issues facing dairy farmers today.

In the past twelve months for the first time in over a decade there has been relatively clear air for farmers with good milk prices, good beef prices, increased land values and favourable seasonal conditions assisting the industry in South Australia.





## Priority Area 1:

### Membership

2022—2023 continued to see a challenge in the area of memberships. Transition from Salesforce to Hubspot a similar membership tracking platform with more marketing capabilities. Last year SADA membership sat at 83 members this has remained unchanged even though we saw a couple of our members retire and gained a couple new members. Aligning with previously recorded years, there has also been a shrinkage in the number of dairy farms in South Australia. However, these numbers need to be considered in a national context where the trend towards shrinkage of the number of farms is reflected in all jurisdictions.

While there has been an expectation of increased membership in the organisation the process of membership engagement has increased.

Newsletter open rates have increased from 81.2% to 91.7%.

With engagement across the member updates hitting an all time high at 96%.

Across Australia, since 1980 there has been a consistent contraction in the number of dairy farms. Nationally in 1980 dairy boasted 21,994 farms. By 2021 that had contracted to 5,055 farms. The national herd size has fluctuated during the same period from 1.88 million cows in 1980 to 1.411 million by the end of the 2019-2020 financial year.

In SA milk production in 2017 equalled 483 megalitres and in 2018 it was 496 megalitres in financial year starting in 2019 that number contracted to 488 megalitres. For the 2020-21 milk production in SA saw a slight increase of 490.4 megalitres. But for the 2022-23 year the state saw an all time low with only 474.1 megalitres.

### Outcomes

**Better informed membership through effective delivery of useful, current and timely information through communication. This information should reflect the local, national and global environment.**

SADA has led the way in the development of traceability project in early 2021. That continues to be rolled out and SADA has generated a number of partners in the development of the technology. These partners include Woolworths and our technology partner Datahash. This technology will see members become far more informed of the passage of their product through the supply chain and into the national and international market place.

## Strategies

**Providing Services to members to make membership more attractive:** In the 2022-2023 year SADA continued to provide policy, legal and environmental services to members and in some instances non members. This advice has extended into the area of employment disputes, writing and amending contracts for processor members of and supporting members with EPA related matters regarding waste water disposal. SADA has been assertive in demonstrating to its membership that they can come to SADA with confidence that their issues, whatever those issues may be, will be attended to in a professional and comprehensive way.

**Develop a Concierge Service approach:** In the 2017-18 SADA commenced its farm visitation program. That has continued throughout the year with a concerted effort in the South East early in 2023 and many other farms were visited in other areas.

Year	Number of Farms SA
2010-11	286
2011-12	275
2012-13	268
2013-14	264
2014-15	252
2015-16	259
2016-17	240
2017-18	228
2018-19	212
2019-20	206
2020-21	198
2022-23	181

## Priority Area 2

### Financial

For 2022-23 SADA continues to remain financially secure. While the separation from Livestock SA has come with some scale issues, SADA continues to maintain income from various sources enabling a spread of risk to SADA's income stream.

SADA operates on income from funding from the State Government (PIRSA). SA Dairy Industry Fund and the Cattle industry fund, income from insurance royalties and membership subscriptions.

### Outcomes

2022-2023 saw a slight increase, the SADA Board has remained alive to the pressure on the industry in the past few years, as a result has kept membership fee increases to be low CPI.

SADA's income was also assisted with the continuation of a \$80,000 grant from the Government to enhance the Dairy Industry Action Plan. While Ash decided to take extended and then permanent leave to spend more time with her family, we have managed this project and utilised the resources that were put in place by Ash while she was on board.

SADA Fresh milk is continuing to perform well in terms of domestic sales however returning some \$440,000 to the Dairy Industry Fund.

In 2020-2021 SADA Fresh launched its Colby, Cheddar and Gouda cheeses into Coles which was officially launched in late 2020. After a slow start and a number of supply and establishment issues with Beston the cheese supplier for the SADA Fresh product.

Coles has permitted a price increase on shelves which has kept the Coles cheese at break even. However, our relationship with Foodland for the sale of cheese into their 96 stores across the state, creates good grounds for optimism and the success of this roll out will be reported in the next annual report.

### Strategies

#### Membership Fees

SADA continues to collect membership fees from the farmers we represent. As indicated earlier in this report SADA has decided to keep the demand for dues as light as possible for the reported year and the following year. Fees are collected and applied to the benefit of all SADA Members.

#### WFI Income

The Wesfarmers Insurance income remains a valuable source of income for our organisation.

#### Grants

SADA has been successful in raising \$130,000 to fund the position for the roll out of the South Australian Dairy Industry Action Plan. \$80,000 from SA Govt and SADIF respectively.

#### SADA Fresh

SADA Fresh has made contributions to SADA's expenses however most of that income is still transferred to the Industry Fund. All income is outlined in this reports' financial statements.

### Performance Indicators

#### Collection of Membership Fees:

Completed and continuing.

#### Increased income from this source:

4% increase to Membership fees.

#### Grant opportunities to be identified and applied for when appropriate:

SADA continues to receive grant funding from SADIF and other sources as described.

SADA continues to operate its business from Unit 5, 780-802 South Road in Glandore. The building is owned by SADA.

SADA will in the coming year apply for grants to enable the roll out of its anticipated traceability project, as well as its methane project.

## Priority Area 3

### Communication

In 2022—2023 SADA continued its effective communication with members but also with other Dairy Farmer associations in other jurisdictions and also with other relevant partners in the dairy space, including Governments and regulatory authorities. 2022-2023 saw SADA continue to extend its support to both farmers and processors ensuring maximum compliance with the Dairy Industry Code which became operational in the beginning of 2020.

SADA continued working with two SA based processors with their continuing contractual development as well as assisting members with interpreting the industry code and making certain those members were clear on their rights and duties under the Code.

SADA also assisted a number of farmers with contract related issues in the reporting period.

### Outcomes

The outcomes that we have aimed for as an organisation in the communications sphere are aimed at:

- Ongoing concierge, activities with all members.
- Continued maintenance of websites and social media pages, including joining the Instagram realm.
- The issuance of updates and newsletters, including matters of local, national and international relevance
- Regular contact with individual members via electronic means.
- Continued contact with political Leaders, senior management in Dairy related Industries and other interested organisations such as animal welfare organisations.
- Media releases on issues effecting the industry leading to greater confidence in the industry at a consumer level.

The websites continue to be maintained. The <https://sada.asn.au> portal has been supported by the [www.sadafresh.com.au](http://www.sadafresh.com.au) web address which is the website for the SADA Fresh milk brand.

SADA continues to also maintain a presence through the Facebook page.

SADA continues to be active in the social media space which enables SADA to keep itself firmly on the map with communicating with farmers.

### Strategies

Contact with external organisations and external interests are regularly created and maintained. This is particularly true of Government officials including Ministers, Shadow Ministers and senior public servants.

SADA has maintained good relationships with regular meetings with both the Ministry, backbenchers and also with the Shadow Minister and their staff.

The Media and public are repeatedly targeted with our core messages.

SADA has held member education programs, issues press releases, written to multiple ministers and has been forceful in recommending to the new government what needs to be done to attend to the issue in SA.

### Performance Indicators:

#### Website

Has evolved and maintained to reflect the changes in the organisation and the industry.

#### Number of Newsletters

Monthly, 12 issued in the last year.

#### Number of specific advices issued

As required updates have been circulated to members. 15 such updates have been issued in the financial year. 12 industrial relations updates.

#### Number of external contacts

These contacts with external organisations have been occurring on a daily basis.

#### Number of Press releases issued

11 press releases had been issued across a number of issues

#### Qualitative feedback to board members

The board members report consistent communication with the membership in their respective areas.

## Priority Area 4: Advocacy and Relevance

As with previous reports advocacy remains the core function of SADA and as an organisation we continue to perform well both on a national and state stage.

The 2022-2023 year was the year of the flood, It is notable that one of the first acts by the SA Deputy Premier was to visit a dairy farm on the Murray River. SADA instigated and successfully co-ordinated the preparation for swamp inundation and still remains present for it's members to ensure businesses remain operational during a flood event.

The SADA Strategic Plan was reviewed and republished for the 2022-2023. This Annual Report is the seventh annual report which directly relates to the operation of the strategic plan.

A comparison of the reports over the past seven years, a picture can be formed regarding the strategic plan and positioning of the organisation. This has enabled SADA to effectively track its progress on behalf of members methodically. SADA members can now clearly track the progress of their representative organisation.

The board continued to manage its affairs holding four face to face board meetings in the 2022/2023 year as well as monthly phone hook ups.

## Outcomes

Advocacy work to date by SADA has led to engagement directly or in partnership has seen successes in many areas not least of which were;

- The restoration of fair contracting and fair income for milk on farms.
- Continuing to provide legal support to processors in developing their dairy contracts.
- Working with and supporting PPSA with all cross commodity policy work.
- SADA continued co-ordination with the NGTAG Steering Committee group about the National Traceability Accord.
- Mmeetings with the DIAA SA branch including participating with DIAA Dairy Awards
- The strategic plan was reviewed and endorsed by the board in June 2023.
- In 2022-23 SADA Fresh brand continues to develop its cheese products.
- SADA staff have continued to provide prompt and effective advice to board members as an when required.
- There have been four board meetings as required by the constitution, (2 by Zoom because of COVID 19).

**South Australian Dairy Industry Action Plan** – The traceability Alpha Trial was completed and determined to be successful. This led to a successful grant for the Beta Trial in partnership with Fleurier Milk Company and Woolworths.

## Strategies

SADA and Government continue to enjoy a close relationship. During the course of the year SADA has worked closely with both Department for Water and Department for Primary Industries to mitigate the damage as much as possible for the Dairies affected by the floods late 2022.

SADA has had numerous meetings with Dr Susan Close Deputy Premier as well as Ms Clare Scriven, the Minister for Primary Industries including field trips to demonstrate the work that SADA has co-ordinated between department and farmer.

SADA is in a stronger and better connected environment than it was four years ago. SADA's reach is not only bounded within the state but it's impact nationally has been recognised by other states. SADA will continue to press on and continue to develop it's sphere of influence and advance its interests on the national as well as the local stage.

## Performance Indicators:

### Qualitative feedback from members

Positive responses from members. SADA recently conducted a members survey relating to issues on farm.

### Number of successful lobbying events

SADA engaged in over 45 events last financial year. (including meetings with Political leaders). These events also included meeting major processors, meeting with the ACCC and meeting Ministers and Members of Parliament at both a state and Commonwealth level.

### Number of contacts created

The SADA team maintain and develop many contacts, locally, nationally and internationally.

### Growth in the size of the overall network

The network possessed by the SADA team has continued to expand.

### Number of Board Meetings Achieved

One AGM

Four Face to Face quarterly board meetings

Seven Online Monthly Board Meetings



## Priority Area 6:

### Industry Growth

In 2022-2023 SADA continued to represent the Dairy industry in partnership with DIAA, DairySafe and Dairy Australia (DairySA).

In the 2016-17 financial year the milk production of the state amounted to 468 million litres. For the 2017-18 year the production levels increased to 504 million litres. In 2018-19 production fell to 496 million litres. In 2019-20 year the production fell again to 488 million litres. In 2020-2021 production increased to 498 million litres. In 2021-2022 production again contracted to 490 million litres, however, there are strong demand indicators in the market place and 2022-2023 are expected to see a production to increase above 500 million litres.

The Dairy Industry Action Plan 2019-24 represents the SA dairy industry's response to the contracting industry. It is aimed at increasing state outcomes through the twin aims of increasing exports and positioning South Australia as a premier dairy producing jurisdiction. The new SA Government have given every indication that they want to support the SA Dairy Industry.

Industry growth means promoting the South Australian milk product in other places where the market share for the South Australian dairy farmer can see positive returns.

Work in with blockchain technology into the future provides good grounds for our traceability projects.

### Outcomes

The Dairy Industry Action Plan 2019-2024 was published in the preceding in the 2019-2020 financial year.

Domestically, SADA Fresh milk has continued to perform well in Coles SA. SADA Fresh continues to be a firm source of income for the Dairy Industry fund which continues to grow and support projects for the SA dairy industry.

SADA Fresh cheeses have had a more difficult start but the board determined to persevere with the project to try and make it work. The Foodland work is anticipated to return a better result moving forward.

Chinese markets continued to be challenging as they are highly competitive and there is much competition in the international market place. Specialist products such as A2 retain a place on the shelves of China as they are considered special. The SADA Fresh Organic label never launched as the cost of transport made the product too risky and too expensive.

### Strategies

The industry growth strategy developed into the Dairy Industry Action Plan 2019-2024. Is scheduled for a review over the next year.

This Dairy Industry Action Plan was the result of extensive consultation across the state with both farmers and processors and now Government. It sets the blue print for advancing the dairy industry in South Australia. The new government has shown a commitment to supporting the plan. The Dairy Industry Action Plan is at the heart of SADA's commitment to growth of the South Australian dairy product.

SADA remains proud of the SADA Fresh premium product and the excellent reputation that South Australia has carved for itself as a premium food producing jurisdiction.

The roll out of the South Australian Dairy Industry Action Plan 2019-2023 will serve to advance these ambitions.

SADA Fresh remains committed to its ambition of creating premium dairy products, SADA's vision for its products have not diminished.

### Indicators of Success:

#### Volume of milk sold:

Down by 1.6% in the 2021-2022 financial year.

#### Number of new relationships generated:

SADA Fresh is now supplying cheese into Coles and will expand into Foodland in the next financial year.

#### Increase in dollar value of sales

In the past three years the amount of milk sold has fluctuated. The fluctuation has been between 468m/l, 504m/l and in 2018-19 496m/l, 2019-20 488m/l, 498m/l 2020-21 and 490 m/l in 2021-2022. SADA anticipates an increase to over 500 m/l in the 2022-2023 year.

#### Increased demand in South Australian Product

An increase of over 2.5% for the year is expected.

#### Completion of SADA Fresh Strategic Plan to explore new markets.

Ongoing.



# BI Not-For-Profit - Association Report

South Australian Dairyfarmers Association Inc

ABN 70 250 523 225

For the year ended 30 June 2023

Prepared by Business Initiatives



# Contents

3	Committee's Report
4	Statement of Profit or Loss and Other Comprehensive Income
5	Statement of Financial Position
6	Statement of Changes in Equity
7	Statement of Cash Flows
8	Notes to the Financial Statements
12	Statement by Members of the Committee



# Committee's Report

## South Australian Dairyfarmers Association Inc For the year ended 30 June 2023

Your committee members submit the financial accounts of the South Australian Dairyfarmers' Association Inc for the financial year ended 30 June 2023.

### Committee Members

The names of committee members at the date of this report are:

Ben McHugh
Gary Zweck
Lousie Paltridge
Tracey Cowie
Robert Brokenshire

### Principal Activities

The principal activities of the association during the financial year were: the peak dairy organisation representing dairy farmers on issues relating to dairy farmers in the state of South Australia at local, state, national and international levels.

### Significant Changes

No significant change in the nature of these activities occurred during the year.

### Operating Result

The profit from ordinary activities before providing for income tax amounted to \$6,239.

Signed in accordance with a resolution of the Members of the Committee on:

Robert Brokenshire (President)

Date 27 / 11 / 2023

Ben McHugh (Treasurer)

Date 27 / 11 / 2023





# Statement of Profit or Loss and Other Comprehensive Income

South Australian Dairyfarmers Association Inc  
For the year ended 30 June 2023

	NOTES	2023	2022
<b>Income</b>			
Revenue	2	2,035,364	1,318,750
<b>Total Income</b>		<b>2,035,364</b>	<b>1,318,750</b>
<b>Gross Profit</b>			
		<b>2,035,364</b>	<b>1,318,750</b>
<b>Expenditure</b>			
Finance & Investment Expenses		13,185	14,863
Personnel Expenses		543,471	584,642
Shared Services		1,541	48,852
Foreign Currency Gains and Losses		-	(187)
Operating Expenses		1,470,898	700,696
<b>Profit Before Income Tax</b>		<b>6,269</b>	<b>(30,117)</b>
<b>Profit for the year</b>		<b>6,269</b>	<b>(30,117)</b>
<b>Other Comprehensive Income</b>		<b>6,269</b>	<b>(30,117)</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.



# Statement of Financial Position

## South Australian Dairyfarmers Association Inc As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	371,949	59,306
Receivables	4	361,619	636,368
Other Financial Assets	5	364,604	341,608
Inventories	6	2,297	16,463
<b>Total Current Assets</b>		<b>1,100,468</b>	<b>1,053,745</b>
<b>Non-Current Assets</b>			
Plant and Equipment and Vehicles	7	418,528	419,429
Tax Assets		30,152	-
<b>Total Non-Current Assets</b>		<b>448,680</b>	<b>419,429</b>
<b>Total Assets</b>		<b>1,549,148</b>	<b>1,473,174</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	8	127,530	454,422
Provisions	9	34,405	42,036
Financial Liabilities	10	8,857	9,097
<b>Total Current Liabilities</b>		<b>170,791</b>	<b>505,555</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities	10	348,264	88,264
Other Non-Current Liabilities		115,000	-
Provisions	9	43,773	14,304
<b>Total Non-Current Liabilities</b>		<b>507,037</b>	<b>102,568</b>
<b>Total Liabilities</b>		<b>677,828</b>	<b>608,123</b>
<b>Net Assets</b>		<b>871,320</b>	<b>865,051</b>
<b>Member's Funds</b>			
Reserves		317,164	317,164
Retained Profits		554,156	547,888
<b>Total Member's Funds</b>		<b>871,320</b>	<b>865,051</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.



# Statement of Changes in Equity

South Australian Dairyfarmers Association Inc  
For the year ended 30 June 2023

	2023	2022
<b>Equity</b>		
Opening Balance	865,051	895,168
<b>Comprehensive Income</b>		
Profit for the Period	6,269	(30,117)
<b>Total Comprehensive Income</b>	<b>6,269</b>	<b>(30,117)</b>
<b>Total Equity</b>	<b>871,320</b>	<b>865,051</b>



# Statement of Cash Flows

## South Australian Dairyfarmers Association Inc For the year ended 30 June 2023

	2023	2022
<b>Cash Flow From Operating Activities</b>		
Receipts from Customers	2,624,607	914,608
Payments to Suppliers and Employees	(2,329,553)	(1,080,497)
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>295,054</b>	<b>(165,889)</b>
	2023	2022
<b>Cash Flow from Investing Activities</b>		
Payment for Property, Plant & Equipment	-	(360)
Payment for Listed Shares & Investments	17,349	57,440
<b>Net Cash Provided by (used in) Investing Activities</b>	<b>17,349</b>	<b>57,080</b>
	2023	2022
<b>Cash Flow from Financing Activities</b>		
Proceeds from Borrowings	241	(2,649)
<b>Net Cash Provided by (used in) Financing Activities</b>	<b>241</b>	<b>(2,649)</b>
	2023	2022
<b>Cash at End of the Year (Note 3)</b>		
Net Increase (Decrease) in Cash Held	312,644	(111,457)
Cash at Beginning of the Year	59,306	170,763
<b>Total Cash at End of the Year (Note 3)</b>	<b>371,949</b>	<b>59,306</b>





# Notes to the Financial Statements

## South Australian Dairyfarmers Association Inc For the year ended 30 June 2023

### 1. Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1985 and the Australian Charities & Not-for-Profits Commission Act 2012.

The financial report covers South Australian Dairyfarmers' Association Inc as an individual entity. South Australian Dairyfarmers' Association Inc is an association incorporated in South Australia under the Associations Incorporation Act 1985.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### Income Tax

The Association does not pay income tax.

#### Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

##### a) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is a policy of South Australian Dairyfarmers' Association Inc to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

##### b) Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

##### c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to South Australian Dairyfarmers' Association Inc commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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These notes should be read in conjunction with the attached compilation report.



## Investments

Shares in listed companies held as current assets are valued at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax. Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

## Employee Entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements. Contributions are made by South Australian Dairyfarmers' Association Inc to an employee superannuation fund and are charged as expenses when incurred.

## Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

## Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## Comparative Figures

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

## Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).



	2023	2022
<b>2. Revenue and Other Income</b>		
Commissions Received	(127,411)	(118,319)
Dividend, Interest & Trust Distributions	(10,898)	(15,038)
Interest Received	(490)	(1)
Other Operating Income	(1,200)	(2,095)
Recoveries - Admin Staff & Office Costs	(194,211)	(247,073)
Grants Received	(1,149,877)	(385,227)
Royalties	(230,319)	(375,258)
SA Cattle Advisory Funding	(62,500)	(35,227)
Subscriptions & Associate Memberships	(134,971)	(124,040)
Export Royalties	-	(649)
Realised (gain)/loss on investments	(5,961)	(12,472)
Unrealised (gain)/loss on investments	(22,356)	35,075
SADA Fresh Income - Cheese	(35,486)	(38,426)
<b>Total Revenue and Other Income</b>	<b>(1,975,681)</b>	<b>(1,318,750)</b>
	2023	2022

<b>3. Cash Assets</b>		
Cheque Account #9621	345,300	40,238
SADA Wrap Working Cash Account	26,649	19,068
<b>Total Cash Assets</b>	<b>371,949</b>	<b>59,306</b>
	2023	2022

<b>4. Receivables</b>		
Trade Debtors	361,619	636,368
<b>Total Receivables</b>	<b>361,619</b>	<b>636,368</b>
	2023	2022

<b>5. Other Financial Assets</b>		
<b>Shares in other corporations - at market value:</b>		
Shares in listed companies	364,604	341,608
<b>Total Shares in other corporations - at market value:</b>	<b>364,604</b>	<b>341,608</b>
<b>Total Other Financial Assets</b>	<b>364,604</b>	<b>341,608</b>
	2023	2022

<b>6. Inventories</b>		
Stock on Hand - SADA Fresh Cheese	2,297	16,463
<b>Total Inventories</b>	<b>2,297</b>	<b>16,463</b>
	2023	2022

## 7. Property, Plant and Equipment

These notes should be read in conjunction with the attached compilation report.



Buildings	390,000	390,000
Plant & Equipment	28,528	29,429
<b>Total Property, Plant and Equipment</b>	<b>418,528</b>	<b>419,429</b>
	2023	2022

## 8. Trade and Other Payables

<b>Trade Payables</b>		
ATO Running Balance Acc	(30,152)	61,839
Accounts Payable	25,544	349,045
GST	68,081	36,883
GST Adjustments	-	709
PAYG Tax Payable	15,086	8,255
FBT Payable	(752)	(2,308)
<b>Total Trade Payables</b>	<b>77,807</b>	<b>454,422</b>
Superannuation Payable	19,570	-
<b>Total Trade and Other Payables</b>	<b>97,378</b>	<b>454,422</b>
	2023	2022

## 9. Provisions

<b>Current</b>		
Provision for Annual Leave	34,405	42,036
<b>Total Current</b>	<b>34,405</b>	<b>42,036</b>
<b>Non-Current</b>		
Provision for long service	43,773	14,304
<b>Total Non-Current</b>	<b>43,773</b>	<b>14,304</b>
<b>Total Provisions</b>	<b>78,178</b>	<b>56,339</b>
	2023	2022

## 10. Financial Liabilities

<b>Current</b>		
SADA Consolidated Credit Card	8,857	9,097
<b>Total Current</b>	<b>8,857</b>	<b>9,097</b>
<b>Non-Current</b>		
Unexpended Grant Liability	348,264	88,264
<b>Total Non-Current</b>	<b>348,264</b>	<b>88,264</b>

These notes should be read in conjunction with the attached compilation report.



# Statement by Members of the Committee

## South Australian Dairyfarmers Association Inc For the year ended 30 June 2023

In the opinion of the Committee the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Equity, Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of South Australian Dairyfarmers' Association Inc as at 30 June 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Signed: Robert Brokenshire

President

Signed: Ben McHugh

Treasurer

# Our SADA Board



## **Robert Brokenshire - President**

Robert is a dairy farmer from Mount Compass and former member of the South Australian Parliament. The Brokenshire family currently milk 440 jersey cows and maintain a Jersey Stud breeding from a fourth-generation herd. The dairy is in an expansion stage at the moment and while they milk in a conventional herringbone dairy, they are in the process of upgrading to a high-tech rotary. "In my 40 years as a dairy farmer I see the immediate future as being the most exciting it's ever been. SADA will work hard for our members and the industry to grow and meet the demand for processors, retailers and consumers, focusing on our social license."

## **Ben McHugh - Board Member**

Ben is third generation dairy farmer at Mt Compass, together with his wife Katie and 3 boys, in a family partnership with his brother and parents. Ben has been involved in the dairy industry for 16 years, milking 300 Jersey Cows in an all year round calving herd. Also running a cropping enterprise at Finniss with Hay, Wheat, Barley, Lupins, Beans & Canola for thier dairy and other markets. Ben completed a Diploma of Agriculture with TAFE in 2010. I was on the SADA board for 2 years in 2014-15 before the board restructure. Ben then rejoined the SADA board in 2018 as the



## **Tracey Cowie - Board Member**

Tracey started out dairy farming on a 1400 cow farm in Canterbury New Zealand in 2005 with her husband who was raised as a beef and sheep farmer. Moved to Australia in 2006 where they spent their time traveling before decided to settle down on the lime stone coast. Now share farming 500 dairy cows, in Kongorong. We have a 15 year old daughter who also helps with the day to day running. Tracey is passionate about dairy farming how the wider communities see farmers and how to raise awareness around mental health surrounding small county communities

## **Gary Zweck—Board Member**

Running a 250-cow TMR dairy in the predominantly broadacre cropping region of Blyth with wife Ros and son Justin, the second-generation farmer remains positive about the future potential for dairying in his home region. Utilising new technologies to improve profit and maximise efficiencies on-farm is a key driver for Mid North dairy farmer, especially those operating PMR and TMR systems— stand to benefit from keeping abreast of new research and developments, and being willing to incorporate new technology into existing dairy systems in order to have 'all the tools in the toolbox' to be more profitable



## **Louise Paltridge- Board Member**

Louise grew up on a small dairy farm just north of Melbourne. She went to school and university in Melbourne and was a research scientist in the field of molecular microbiology before meeting and marrying her dairyfarmer husband, Tom, and moving to Eight Mile Creek in SA. Together they run the family farm, milking 400 pasture based dairy cows, raising dairy/beef cows and calves, and fattening steers. They have a 12 year old son, called Lachy. Louise is keen to help promote dairy farming as a vital part of South Australia's future economic sustainability and food security.







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