



TDIA
Tasmanian
Dairy
Industry
Authority

TASMANIAN DAIRY INDUSTRY AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022 – 2023

STATEMENT OF CERTIFICATION

In the opinion of the members of the Tasmanian Dairy Industry Authority, the financial statements are drawn up so as to give a true and fair view of the results and cash flow for the year ended 30 June 2023 and the state of affairs at 30 June 2023.

The financial statements have been made out in accordance with Australian Accounting Standards and Australian Accounting Interpretations.

Signed on 9th August 2023



R Burrows
CHAIR



J Crowley
MEMBER

MEMBERSHIP OF THE AUTHORITY

	Name	Period
Chairman		
	Ms Rae Burrows	11 August 2020 – 10 August 2023
 Members with knowledge of milk production		
	Mrs Michele Lawrence	19 April 2020 – 18 April 2022 5 July 2022 – 4 July 2023
	Mr Wayne Johnston	3 December 2021 – 2 December 2022 5 June 2023 – 4 June 2026
 Members with knowledge of manufacturing and marketing		
	Mr M Hendrey	1 July 2020 – 31 December 2022
	Ms Jessica Crowley	1 July 2020 – 30 June 2023
	Mr Darren Smart	24 April 2023 – 23 April 2026

TASMANIAN DAIRY INDUSTRY AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
Revenue and other economic flows			
Licence Fees		606,665	606,642
Profit on sale non-financial assets	7	9,834	28,706
Other Revenue	8	-	-
Total Revenue		616,499	635,348
Expenses			
Advertising		6,837	5,041
Audit & Professional Fees		8,000	5,170
Computer and Office Expenses		7,755	12,218
Contractors - Database & Other		67,675	14,770
Depreciation		35,602	33,492
Fringe Benefits Tax		10,249	16,428
Insurance		9,198	5,604
Meeting Expenses		1,534	1,022
Motor Vehicle Expenses		16,694	11,809
Rental Expenses		11,930	11,885
Salaries and Oncosts		571,750	521,073
Training		8,266	7,460
Subscriptions		1,678	1,452
Telephone		5,477	5,545
Travel		19,656	13,695
Uniforms & Protective Clothing		1,267	1,318
Total Expenses		783,568	667,982
Comprehensive result		(167,069)	(32,634)

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes

TASMANIAN DAIRY INDUSTRY AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
Financial Assets			
Cash and Cash Equivalents		784,774	954,187
Trade and Other Receivables	2	34,448	23,369
Prepaid Expenses		5,333	5,319
Non Financial Assets			
Plant and Equipment	3	141,483	114,680
Total Assets		966,039	1,097,555
Liabilities			
Trade and Other Payables	4	51,424	29,435
Provisions	5	125,059	111,494
Total Liabilities		176,482	140,929
		789,557	956,626
Net Assets			
Equity			
Retained Earnings		789,557	956,626
Total Equity		789,557	956,626

This Statement of Financial Position should be read in conjunction with the accompanying notes

TASMANIAN DAIRY INDUSTRY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Cash receipts from operating activities		604,127	609,280
Cash payments from operating activities		<u>(720,967)</u>	<u>(551,764)</u>
Net Cash from Operating Activities	6	<u>(116,841)</u>	<u>57,517</u>
Cash Flows from Investing Activities			
Proceeds from the disposal of non-financial assets		26,341	56,473
Payments for acquisition of non-financial assets		<u>(78,913)</u>	<u>(112,355)</u>
Net Cash (Used by) From Investing Activities		<u>(52,572)</u>	<u>(55,883)</u>
Net Increase (Decrease) in cash held		<u>(169,413)</u>	<u>1,634</u>
Cash at the Beginning of the Financial Year		954,187	952,554
Cash at the End of the Financial Year		<u>784,774</u>	<u>954,187</u>

This Statement of Cash Flows should be read in conjunction with the accompanying notes

TASMANIAN DAIRY INDUSTRY AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Retained Earnings		
Balance as at 1 July	956,626	989,260
Comprehensive Result	(167,069)	(32,634)
Balance as at 30 June	789,557	956,626

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

Expenses

Expenses are recognised as incurred and attributed to the period to which they relate.

Gains or losses from the sale of assets are recognised when control of the assets has passed to the buyer.

Income tax

The Authority is exempt from income tax under the Australian Income Tax Assessment Act.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, and the balance in the Department of Primary Industries, Parks, Water and Environment (DPIPWE) trust account.

Trade and other receivables

Unsecured debtors are due in no longer than 45 days from balance date and are carried at the amount due. Credit arrangements ensure there is minimal risk with debtors.

Collectability of debts is reviewed at balance date and a specific provision made for any considered impaired.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Authority. Trade creditors are normally settled within the supplier's terms of 7, 14 or 30 days.

Employee benefits

Wages and salaries

Liabilities for wages and salaries are recognised and are measured as the amount unpaid at balance date. At 30 June 2023 the Authority employed 6 employees (2022, 6 employees).

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date and are measured at the amount expected to be paid, including appropriate oncosts, when the accrued obligation is settled.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year is measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Sick leave

The cost of sick leave is met on an emerging cost basis and yearly variations are not material. There is no payment in lieu of untaken sick leave.

Superannuation

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Authority does not recognise a liability for the accruing superannuation benefits of Departmental employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

Impairment of assets

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

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. GST activities are administered by the Department of Natural Resources and the Environment on behalf of the Authority and, for this reason, trade receivables, trade payables, and the Statement of Cash Flows are shown net of GST.

Judgements and Assumptions

In the application of Australian Accounting Standards, the Authority is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by the Authority that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements. The Authority has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Adoption of new and amended accounting standards

In the current year, there have been no new or revised Standards and Interpretations issued by the Australian Accounting standards that apply to the Authority.

Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Authority but are not yet effective. They have not been adopted in preparation of the financial report at reporting date.

AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Correction, applicable to annual reporting periods beginning on or after 1 January 2022.

The amendments address an acknowledge inconsistency between the requirements in AASB10, and those in AASB128 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The new Standard will not apply to the Authority, as the organisation has no associates or joint ventures.

	2023	2022
Note 2 Trade and Other Receivables	\$	\$
Unsecured	34,448	23,369
Total Trade and Other Receivables	34,448	83,388

Note 3 Plant and Equipment		
Gross Balance at the beginning of the financial year	162,886	117,715
Additions to Plant and Equipment	78,913	112,355
Disposals of Plant and Equipment	(20,510)	(67,184)
Gross Balance at the end of the financial year	221,288	162,886

Depreciation of Plant and Equipment

Accumulated Depreciation at beginning of financial year	(48,206)	(54,132)
Depreciation Expense of Plant and Equipment	(35,602)	(33,492)
Depreciation of Plant and Equipment Disposals	4,003	39,418
Accumulated Depreciation at the end of the financial year	(79,805)	(48,206)

Net Plant and Equipment at the end of the financial year

141,483	114,680
---------	---------

Plant and Equipment Comprises:

Motor Vehicles	133,233	103,944
Computer Equipment	8,250	10,736
Total Plant and Equipment	141,483	114,680

Note 4 Trade and Other Payables		
Trade Payables	51,424	29,435
Total Trade and Other Payables	51,424	29,435

Settled within 12 months	51,424	29,435
Settled in more than 12 months	-	-
Total	51,424	29,435

Settlement is usually made within 30 days

Note 5 Provisions		
Annual Leave	50,504	42,958
Long Service Leave	74,555	68,536
Total Provisions	125,059	111,494
Settled within 12 months	99,998	92,064
Settled in more than 12 months	25,061	19,430
Total	125,059	111,494

Annual leave is usually taken as it falls due, with little accumulation. Long service leave is due for two staff members so has been shown as Settled within 12 months, although this may not occur.

<u>Note 6</u>	Reconciliation of Comprehensive Result to	2023	2022
	Cash Flows from Operating Activities	\$	\$
	Comprehensive Result	(167,069)	(32,634)
	Add Non-Cash Items		
	Depreciation	35,602	33,492
	(Profit) Loss on sale of assets	(9,834)	(28,706)
	Add Changes in Assets & Liabilities		
	(Increase) Decrease in Trade and Other Receivables	(11,079)	60,019
	(Increase) Decrease in Prepaid Expenses	(14)	(1,910)
	Increase (Decrease) in Employee Benefits	13,564	37,116
	Increase (Decrease) in Trade and Other Payables	21,988	(9,860)
	Net Increase (Decrease) in Cash from Operating		
	Activities	(116,841)	57,518

Cash as at 30 June 2023 of \$784,774.40 (2022, \$954,187.97) is held in T512 Department of Natural Resources and Environment's Operating Trust Account.

Credit Stand-by Arrangements

The Authority holds Mastercards with a combined credit limit of \$25,000.

The amounts unused at 30 June were:	26,249	19,054
-------------------------------------	---------------	--------

<u>Note 7</u>	Net Profit/(Loss) on non-financial assets		
	Plant and Equipment		
	Proceeds from Sale	26,341	56,473
	Written down value of disposed assets	(16,507)	(27,766)
	Profit (Loss) on sale	9,834	28,706

Note 8 Other Revenue

Net income from Training for Licensees is recognised when the debt is recognised.

Training for Licensees	-	-
Total	-	-

Note 9 Directors' Remuneration

Total remuneration, comprising sitting fees and out of pocket expenses, paid to Directors of the Authority fall within the following band:

\$1,000 - \$9,999	4	4
Aggregate directors fees - short term benefits	7,478	4,710

Note 10 Related Parties

Directors

The Directors of the Authority during the year were

Mr W Johnston (3 December 2021 - 2 December 2022, 5 June 2023 - 4 June 2026)

Mrs M Lawrence (5 July 2022 - 4 July 2025)

Mr M Hendrey (1 July 2020 - 31 December 2022)

Mrs J Crowley (1 July 2020 - 30 June 2023)

Mr D Smart (24 April 2023 - 23 April 2026)

Ms R Burrows (11 August 2020 - 10 August 2023 - Chair)

No other key management personnel (KMP) have been identified.

The Authority conducts business with all Directors on the same terms and conditions as those entered into with other individuals and organisations. During the financial year there were no financial transactions with Directors other than the remuneration disclosed above.

Note 11 Subsequent Events

There have been no events subsequent to balance date which would have a material effect on the Authority's Financial Report as at 30 June 2022.

Note 12 Commitments

	2023	2022
By type	\$	\$
Operating lease commitments	11,930	11,885
By maturity		
One year or less	11,930	11,885
From one to five years	-	-
More than five years	-	-
Total operating lease commitments	11,930	11,885

Commitments are shown GST exclusive

The Authority's leases are comprised of building rental costs. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Authority's expenditures. The lease can be vacated with 6 months notice.

The Authority does not have any purchase rights flowing from the lease of the buildings. Some buildings have renewal options exercisable by the lessee. There are no building leases that have renewal rights exercisable at the sole discretion of the lessor.

Note 13 Contingencies

The Authority does not have any contingent assets or liabilities at balance date.

Note 14 Financial Instruments

Accounting policy, terms and conditions

Financial Instruments	Accounting Policy	Terms and Conditions
<u>Financial Assets</u>		
Cash and Cash equivalents	Cash on hand, at bank and in cash management accounts are valued at face value.	Treasury on call deposits interest rate at balance date was 5.2% (2.5% in 2021/2022)
Trade and Other Receivables	A provision for impaired debts is recognised on debtors when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears do not attract interest.
<u>Financial Liabilities</u>		
Trade and Other Payables	Liabilities are recognised for amounts to be paid in the future for goods and services provided to the Authority as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

Interest rate risk

The fair values of all financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are non-interest bearing, with carrying amounts representing fair values.

Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position.

Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value of future cash flow of our financial instruments will fluctuate because of changes in market prices. The Authority's exposure to market risk is primarily through exposure to other price risks with minimal exposure to interest rate risk and foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument, or cash flows associated with the instrument, will fluctuate due to changes in market interest rates.

The following table details the exposure to interest rate risk

	2023	2022
Financial Assets	\$	\$
Cash and Cash Equivalents	784,774	954,187
Trade and Other Receivables	<u>34,448</u>	<u>23,369</u>
Total Financial Assets	<u>819,221</u>	<u>977,556</u>
Financial Liabilities		
Trade and Other Payables	<u>51,424</u>	<u>29,435</u>
Total Financial Liabilities	<u>51,424</u>	<u>29,435</u>

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Authority to make a financial loss. The Authority has exposure to credit risk on some financial assets included in our Statement of Financial Position. To help manage this risk we have undertaken to only invest surplus funds with financial institutions in accordance with the provisions of the Tasmanian Dairy Industry Act 1994.

Credit risk arises from the Authority's financial assets, which comprise cash and cash equivalents, and receivables. The Authority's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Authority generally trades with recognised, creditworthy third parties, and as such collateral is generally not requested, nor is it the Authority's policy to securitise its receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is not significant.

Ageing of Trade and Other Receivables

The following table provides an ageing of the Authority's Trade and Other Receivables at the reporting date:

	Gross 2023	Impaired 2023	Gross 2022	Impaired 2022
Not past due	23,369	-	22,204	-
Past due 30-60 days	5,236	-	808	-
Past due 31-90 days	-	-	-	-
More than 90 days	5,842	-	-	-
	34,448	-	23,368	-

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- * we will not have sufficient funds to settle a transaction on the date;
- * we will be forced to sell financial assets at a value which is less than they are worth; or
- * we may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

- * have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained; and
- * monitor budget to actual performance on a regular basis

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Sensitivity disclosure analysis

The Authority is not impacted by changes in market interest rates, as it holds no interest bearing liabilities, and its trading account and accounts receivables generate no interest income.