



# ANNUAL REPORT

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Dairy Food Safety  
VICTORIA



## Dairy Food Safety Victoria

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## Disclosure statement

In accordance with the *Financial Management Act 1994*, I am pleased to present Dairy Food Safety Victoria's Annual Report for the year ending 30 June 2025.

**Mr Luke Wilson PSM**  
Chairperson

25 August 2025

# About Dairy Food Safety Victoria

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**Dairy Food Safety Victoria (DFSV) is the statutory authority responsible for regulating Victoria's dairy industry to safeguard public health. It implements a robust regulatory framework that underpins market access and the growth and sustainability of the dairy industry.**

As a statutory authority, DFSV is accountable to the State Government of Victoria, through the Minister for Agriculture, for fulfilling its statutory responsibilities in line with government policy, and within an appropriate risk and governance framework. It licenses all dairy businesses operating in Victoria, approving and auditing compliance with food safety programs to ensure state legislation, and nationally agreed standards, are maintained.

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## Vision

**Local and global confidence in the safety of Victoria's dairy food.**

## Mission

**To lead and deliver a regulatory assurance system for safe dairy food.**

## Values

### Respect

Showing consideration in the way we treat others.

### Collaboration

Working together for the same common purpose to achieve the best outcome.

### Openness

Being transparent and open in the way we operate.

### Responsibility and accountability

Owning our behaviours and actions.

## Charter and purpose

DFSV is a statutory authority (the Authority) established by the Victorian Parliament under the *Dairy Act 2000* (*Dairy Act*). DFSV reports through its board to Victoria's Minister for Agriculture (the Minister).

The Minister for Agriculture, the Hon. Ros Spence MP, was the responsible Minister from 1 July 2024 to 30 June 2025.

The objectives, functions and powers of DFSV are prescribed under part 2, sections 5–7 of the *Dairy Act*.

## Objectives of the Authority

The objectives of the Authority are to:

- a. ensure that standards which safeguard public health are maintained in the Victorian dairy industry
- b. ensure that it performs its functions and exercises its powers efficiently and effectively.

## Functions of the Authority

The functions of the Authority are to:

- a. establish, maintain and improve:
  - i. the food safety standards of dairy food;
  - ii. the standards of construction and hygiene of plant and equipment in a dairy manufacturing premises;
  - iii. the standards of maintenance, cleanliness and hygiene of dairy transport vehicles;
- b. monitor and review the standards specified in paragraph (a);
- c. approve and monitor the implementation of food safety programs;
- d. administer the licensing system under Part 3
- e. ensure that appropriately qualified persons are appointed as authorised officers;
- f. fix and charge fees in respect of the carrying out of its functions or the exercise of its powers;
- g. in consultation with the Secretary to the Department of Health or a municipal council, protect public health;
- h. advise the Minister on matters relating to the administration of this Act;
- i. carry out any other function that is conferred on the Authority by this Act or any other Act.

## Powers of the Authority

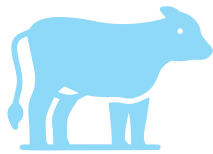
1. Subject to this Act, the Authority has all the powers necessary to enable it to perform its functions.
2. Without limiting its other powers, the Authority may:
  - a. enter into agreements or arrangements for the provision of services to the Authority or for the provision of services by the Authority;
  - b. fix and change fees for carrying out its functions or the provision of its services including the services of authorised officers
  - c. expend any part of its funds in carrying out its functions and powers or in paying remuneration and allowances to its members.

## Snapshot

- Dairy is Australia's fourth largest rural industry and Victoria's second largest export industry.
- Victoria's dairy farms produce more than 63% of Australia's milk, underpinning supply for the majority of its dairy exports.
- DFSV has more than 2,800 licensees.
- Each year, DFSV conducts 2 verification audits of each manufacturing business, covering food safety requirements for both domestic and export markets.
- Farms are audited once every 2 years and through arrangements with contract auditors, 803 farms have been audited this reporting period.

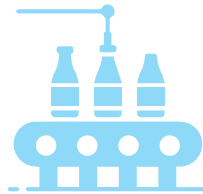
# At a glance

## Industry



**2,496<sup>^</sup>**  
FARMS

**205**  
MANUFACTURERS



**5.3b**  
LITRES

Total volume of milk produced in Victoria

**2,846**  
LICENCES



**63%**  
AUSTRALIAN MILK PRODUCED  
in Victoria\*



**0.5%**  
ANNUAL MILK VOLUME CHANGE  
in Victoria – up



**72%**  
VICTORIAN CONTRIBUTION  
to Australia's total dairy exports\*

<sup>^</sup> Includes bovine and non-bovine farms

\* Figures supplied by Dairy Australia, as at 30 June 2025

Performance



**NEW LICENSEES**

by type

**38**

FARM

**14**

MANUFACTURER

**13**

DISTRIBUTORS

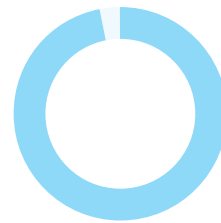
**4**

CARRIERS

**97%**

**INDUSTRY'S CONFIDENCE**

in DFSV to deliver on its regulatory obligations



**NUMBER OF AUDITS**



**803**

FARM

**531**

MANUFACTURER

**35**

CARRIER



# Chairperson's report



**This past year has been one of steady progress for Dairy Food Safety Victoria (DFSV). While there have been changes in leadership and broader reforms announced, the organisation has remained focused on its core responsibility: ensuring food safety across Victoria's dairy industry to protect public health.**

As incoming Chairperson of DFSV, we have continued to work closely with our licensees and other stakeholders to ensure that dairy products available to consumers, whether in Victoria or beyond, meet the highest food safety standards.

## Leadership and governance

This mission was supported for many years by Dr Anne Astin AM PSM, whose contribution I would like to recognise. Dr Astin's leadership as both Chairperson (for more than 7 years) and CEO (for more than 10 years) has shaped DFSV substantially. Anne's leadership extended beyond the organisation, with a respected presence in national and international food safety fora. Exemplifying her commitment to food safety and effective governance, Dr Astin's support during the transition to my tenure as Chairperson was generous and thoughtful, and I thank her for that.

I also extend thanks to other board members who concluded their service through the year, as well as those who joined our ranks. Their contributions help maintain the organisation's strong governance and food safety impact. The Board continues to work constructively with management, and our engagement with Agriculture Victoria remains open and collaborative.

## Preparing for reform

In December 2024, the Victorian Government announced changes to Victoria's food regulatory arrangements. DFSV has responded by focusing on business readiness and sharing our insights. By ensuring our systems, data and operations are in good order, we are positioning DFSV and our licensees for the announced transition. This preparation has included changing DFSV's active investment profile to more of a consolidation and evaluation mode through to the 2025–26 year, to provide a solid financial, operational and structural foundation for the post-reform environment.

## Working together with licensees and stakeholders

Throughout the year, DFSV has continued to meet its statutory obligations efficiently and effectively. Key to this is our engagement with licensees, which has remained strong. Key activities include regional Learning Network Forums and regular communications. We remain committed to supporting licensees in maintaining food safety standards despite the various pressures facing the industry, including trade uncertainty and dry seasonal conditions in many of the state's dairying regions.

## Looking ahead

In October 2025, DFSV will mark 25 years since its establishment. While this milestone falls in the next reporting period, we have considered it in the past year as part of our forward planning. The organisation's history reflects a consistent focus on public health and regulatory integrity.

These themes were front of mind in developing the 2025–2030 Corporate Plan. DFSV conducted thorough consultations with Victoria's dairy industry and government stakeholders to shape the Plan, which was created collaboratively by the Board, executive and staff, and has been endorsed by the Minister for Agriculture.

The Plan's key focus is on transformational insight. This means that we will address new risks, refine existing processes, and develop adaptive, outcome-based regulatory practices to ensure best practice and public safety, even as the industry evolves.

Stakeholder engagement remains essential in our next Corporate Plan. By working closely with industry, government, and staff, DFSV aims to build even stronger relationships to support food safety and innovation.

Innovation is also a priority, with DFSV embracing new technology and data to enhance regulatory effectiveness and support industry growth into the future.

## Recognising staff's contributions

Lastly, I would like to thank the staff for their continued commitment to DFSV's mission. This includes the contributions of Andrew Chen and Allison McNamara who have stepped up into leadership roles in the past year. They are leading a team whose professionalism and focus have ensured that our core work continues uninterrupted. I also acknowledge the constructive engagement of our licensees, which supports our shared goal of protecting public health.

A handwritten signature in black ink, appearing to read 'Luke Wilson'. The signature is fluid and cursive, written on a white background.

**Luke Wilson PSM**  
Chairperson, Dairy Food Safety Victoria

# Chief Executive Officer's report



**As we reflect on the past year, I am pleased to report that Dairy Food Safety Victoria (DFSV) has continued to act to ensure the highest standards of food safety across the dairy industry. We have supported our licensees to consistently meet food safety requirements, maintaining the integrity and safety of dairy products.**

This year marks the final year of our Corporate Plan 2020–2025. We're proud to have achieved most targets during this 5-year period, despite the impacts of COVID-19 restrictions and other measures. It was impressive to see all staff at DFSV maintain business operations during the pandemic, including developing new ways of conducting compliance audits and our licensee Learning Networks.

It has been a period of significant reflection and resetting for our organisation. We have taken the opportunity to focus on core operational activities and completing projects, ensuring that we met the objectives set out in our corporate plan.

A highlight has been the successful rollout of our Licensee Portal. This portal, which has been in development for 2.5 years, was launched this year. It allows licensees to access their licences and audit reports online, streamlining the process and improving efficiency.

In addition to the Licensee Portal, we have also seen the continued success of our Learning Network Forums. These event series, held in July 2024 and March 2025, have provided valuable opportunities for licensees to engage with industry experts and stay informed about the latest food safety initiatives. The attendance and participation in these networks have been encouraging, with a significant number of licensees taking part.

Our stakeholder engagement efforts have been another key focus this year. We have continued to collaborate with the federal government, other jurisdictions, and Dairy Industry Groups. These engagements help to ensure we remain up to date with industry standards and drive best practice. DFSV has continued to actively participate on national food regulation committees and working groups.

The benefits of this work can be seen in the results from surveys of our licensees and team. The results of the Licensee Satisfaction Survey for 2025 were positive, reflecting the hard work and dedication of our team. Similarly, the People Matter survey results have shown that our staff remain engaged and committed to their work. These surveys are a testament to the strong culture and values that underpin our organisation.

As we look towards the future, we have been preparing for potential reforms in the Victorian food safety regulatory landscape. Our business readiness efforts have included preparing our systems, procedures and data integration to ensure that we are well-positioned to adapt to any changes.

DFSV's leadership team and Board have worked particularly closely this year. With the appointment of our new Chairperson, Luke Wilson, we have reinforced our commitment to collaboration and governance. Luke's extensive knowledge and experience have been invaluable, and we have benefited greatly from his insights and guidance. We welcomed and inducted new board members Polly Bennett and Dr Scott Crerar and I would also like to thank outgoing Chairperson Dr Anne Astin and Board Directors Dr Michele Allan, Dr Joanna Wriedt, Nick Renyard and Peta Slack-Smith for their contribution to DFSV.

I would like to take this opportunity to acknowledge the changes within our organisation over the past year. I extend my thanks to our outgoing CEO Corrie Goodwin. Corrie's dedication and hard work has left DFSV well placed to transition into the next phase.

I would also like to acknowledge Allison McNamara's (General Manager, Operational policy and Innovation) assistance in guiding DFSV through these changes. Most importantly, thank you to each one of our staff for their continuing commitment and incredible contributions throughout 2024–25.

Finally, I am pleased to report that our Dairy RegTech initiative is moving into the program evaluation phase. This independent evaluation will help us assess the effectiveness of the program, identify areas for improvement, and ensure that we continue to provide robust, innovative, best practice regulatory services.

In conclusion, I am extremely proud of the achievements we have made over the past year. Our focus on core operational activities, stakeholder engagement, and business readiness has positioned us well for the future and I would like to thank the Board for its ongoing support and trust in the DFSV team.

Thank you.

A handwritten signature in black ink, appearing to read 'Andrew Chen'. The signature is fluid and cursive, written over a white background.

**Andrew Chen**  
*Acting Chief Executive Officer, Dairy Food Safety Victoria*

# Performance report



**This is DFSV's final year of reporting its performance under the 2020–25 corporate plan. The corporate plan describes strategies to deliver DFSV's objectives, and performance indicators to measure progress against these. DFSV continued its core business as Victoria's dairy regulator, while shaping its future as an emerging leader in food safety regulation.**

DFSV's strategic direction and performance also reflects the Minister for Agriculture's expectation that the Authority will operate within a cohesive and contemporary regulatory framework, while meeting its primary objective of safeguarding public health and safety.

This report describes DFSV's activities during 2024–25.

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## DFSV's objectives

### Objective 1.

**A regulatory system that expects and acknowledges food safety culture**

### Objective 2.

**A responsive regulator**

### Objective 3.

**Capabilities and capacity for performance**

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A close-up photograph of a hand holding a glass jar of white yogurt. A silver spoon is lifting a dollop of yogurt from the jar. The background is blurred, showing another person's hand holding a similar jar. A large blue circular graphic with a white polka-dot pattern is overlaid on the left side of the image.

Objective 1.

**A regulatory system that expects and acknowledges food safety culture**

## License dairy businesses and monitor their production of safe dairy food

Under the *Dairy Act*, DFSV is responsible for ensuring the regulatory standards that safeguard public health are maintained in the Victorian dairy industry.

DFSV achieves this through administering a licensing system, monitoring compliance with regulatory requirements through compliance audits, and taking appropriate enforcement actions to respond to non-compliance where required. DFSV supports the dairy industry through education, guidance materials and Learning Network Forums where information and emerging trends are shared.

The regulatory framework and supporting policies are aligned with national regulatory food safety policy, endorsed by the Food Ministers' Meeting, with additional guidance from the Office of the Commissioner for Better Regulation (Victoria).

### Licensing

DFSV licenses persons undertaking activities in Victoria prescribed by the *Dairy Act*. Specifically, licences are issued in the categories of dairy farmer, carrier, manufacturer and distributor. To be issued a licence, an applicant must have a food safety program (if required), suitable premises and/or vehicles, and staff with the skills and knowledge to produce safe dairy food.

DFSV aims to process licence applications within 30 business days for farmers and carriers, 60 business days for distributors, and 90 business days for manufacturers. DFSV is committed to meeting these targets and works closely with applicants to achieve this.

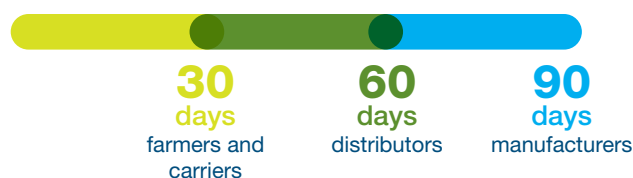


FIGURE 1. Average licence application processing times

In 2024–25 DFSV processed all new licence applications within the relevant timeframes. The average number of business days to process an application was:

- For manufacturers, 38 days (2023–24: 30 days)
- For farmers, 12 days (2023–24: 11 days)
- For distributors, 27 days (2023–24: 14 days)
- For carriers, 24 days (2023–24: 34 days)

In 2024–25 DFSV received applications for, and subsequently issued 69 new licences across all licence categories. This represented 10% more applications compared to the previous year.

### Compliance monitoring

DFSV monitors compliance of dairy businesses with the relevant requirements of the *Dairy Act*, the *Food Act 1984* and relevant provisions of the Australia New Zealand Food Standards Code, as described in their food safety program. Compliance monitoring involves twice-yearly audits of dairy manufacturing businesses and annual audits of dairy carriers (bulk dairy transport businesses) by authorised auditors or DFSV Food Safety Managers (FSMs).

TABLE 1. Total licences by type

Licence	2020–21	2021–22	2022–23	2023–24	2024–25
Manufacturer	205	195	200	202	205
Farmer	3,113	3,051	2,796	2,812	2,496
Distributor	105	102	90	87	97
Carrier	33	30	31	21	21
Integrated*	19	24	23	29	27
<b>Total</b>	<b>3,475</b>	<b>3,402</b>	<b>3,140</b>	<b>3,151</b>	<b>2,846</b>

\*Integrated relates to a licensee that undertakes more than one licensable activity.

## Objective 1.

### A regulatory system that expects and acknowledges food safety culture (cont.)

For manufacturers that are export registered, compliance monitoring activities also include auditing against the relevant requirements of the *Export Control Act 2020*, including the *Export Control (Milk and Milk Products) Rules 2021*, on behalf of the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF). This arrangement is formalised through a written memorandum of understanding (MoU) between the two regulatory bodies.

As part of this arrangement, DAFF conducts an annual review of DFSV to assess its compliance with the responsibilities outlined in the MoU. The most recent review, carried out in October 2024, confirmed that DFSV met all its export food safety regulatory obligations.

When DFSV issues a new licence to a manufacturing business, it is audited within 30 days of starting operations. Subsequently, as a condition of licence, compliance audits are undertaken twice a year — the first between January and June, and the second between July and December. Any non-conformance with legislative requirements identified during these audits results in a corrective action request (CAR) being issued. A CAR directs a business to review relevant elements of its operational food safety system to address the recognised failures.

DFSV utilises CARs as a risk-based, preliminary tool to address non-compliance. CARs are classified as minor, major or critical according to risk, and timeframes to respond are adjusted accordingly. A minor CAR is generally raised when the non-conformance poses no immediate risk to food safety, and its potential impact is not likely to lead to production of unsafe food. A major CAR is raised when the impact of the non-conformance may lead to production of unsafe food unless remedial action is taken within a specified period. A critical CAR is raised when an imminent and serious risk to food safety is detected.

During 2024–25, DFSV FSMs completed 531 manufacturer audits and 35 carrier audits. They raised a total of 552 CARs at manufacturers, of which 489 were minor and 63 were major; and 4 CARs at dairy carriers, all of which were minor. No critical CARs were raised by FSMs during the year.

DFSV approves second and third-party auditors to audit dairy farm licensees on its behalf. A dairy farm licensee is first audited 3 to 6 months after operations begin, and then at least once every licensing period (i.e. 2 years). During the 2024–25 financial year, 803 farm audits were completed.

#### Approved auditor verification

All DFSV approved auditors are required to adhere to the National Food Safety Audit Policy and are required to be re-verified every 2 years. DFSV undertakes a verification program of its approved auditors, and all auditors assessed were verified as competent in 2024–25.

#### Enforcement

DFSV applies a graduated, risk-based approach to enforcement action, aligned with national food regulatory policy. This approach provides a response that is proportionate to the seriousness of any non-compliance and food safety risk.

If enforcement action is required, a range of tools are available to DFSV. These include placing a licensee under increased oversight, issuing formal warnings or putting in place specific orders under the *Dairy Act*. Depending on the seriousness of the matter further enforcement action (such as prosecution under the *Dairy Act* or the *Food Act*) may be undertaken.

During the 2024–25 year, 3 enforcement actions were taken against 3 separate dairy manufacturers. These were Orders under section 46 of the *Dairy Act*. They included 2 Orders to Stop, issued on 29 April 2025 and 13 June 2025, to 2 sites that had applied for a dairy licence but had commenced manufacturing operations before the licence was granted. The other was an Order to Clean, issued against a licensee on 8 May 2025, to ensure appropriate cleaning and sanitising prior to re-commencement of production after an extended pause of operations.

#### Dairy export

Under its MoU with DAFF, DFSV conducts compliance audits of Victorian export-registered dairy manufacturers on DAFF's behalf. DFSV and DAFF work together to support a streamlined export certification system and aim to reduce regulatory burden on industry.

DFSV collaborates closely with DAFF on dairy export and food safety matters, including supporting DAFF during importing country reviews of Victorian dairy manufacturers. In 2024–25, 2 such reviews were successfully completed: one by China's State Administration for Market Regulation in August 2024, and another by the United States of America Food and Drug Administration in June 2025.

DFSV coordinates the Australian Milk Residue Analysis (AMRA) Survey on behalf of DAFF. The AMRA Survey provides a national, independent monitoring program that verifies the effectiveness of residue controls. It monitors the presence of agricultural and veterinary chemicals and environmental contaminants in raw milk. At the time of publication, all results for the year were below the acceptable maximum residue limits under the Australia New Zealand Food Standards Code.

## Design and deliver a forward-looking dairy regulatory assurance system in collaboration with our stakeholders

### DFSV introduced Dairy RegTech in 2020 to promote food safety culture as a means of improving food safety and to encourage the use of data to inform food safety decision-making.

It is a voluntary initiative in which participants undergo a food safety culture assessment facilitated by DFSV. Based on the outcomes of the assessment, they develop an action plan to strengthen the business's food safety culture. Dairy manufacturing businesses use the Dairy RegTech data sharing portal to support their action plan and derive more value from their data. To date, 22 licensees have participated in the program, with 19 currently active, as 3 have ceased operation. Regular Community of Practice meetings allow industry participants to share ideas and support each other to strengthen food safety culture in their businesses. Enhancements to the Dairy RegTech data sharing portal were well received by participants at the August 2024 meeting.

DFSV helped the Tasmanian Dairy Industry Authority pilot the program in 2024. DFSV also conducted a trial reassessment of food safety culture maturity with one Victorian licensee to gauge progress over time and the impact of implementing a food safety culture program.

Throughout 2024–25, all participants progressed to working independently on their Food Safety Culture Action Plans.

This shift reflects the growing confidence and capability of businesses to take ownership of their food safety culture, by applying the tools, resources and learnings developed throughout the program. With individual action plans now embedded into site-specific processes, participants are demonstrating leadership and accountability in driving cultural change.

In late 2024, a formal decision was made to separate the data component of Dairy RegTech from the broader food safety culture program, allowing for a more focused evaluation of each stream. The insights gained through this process will be used to assess the program's overall impact, identify opportunities for refinement, and inform future strategies to support continuous improvement in food safety culture across the dairy industry.



Objective 2.

## A responsive regulator

## Engage and consult early with our stakeholders for effective decision-making and problem-solving

Stakeholder engagement is integral to DFSV's work in developing, designing and implementing services. DFSV is committed to ensuring any engagement with stakeholders aligns with the organisational values of respect, collaboration, openness, responsibility and accountability.

### Collaboration with food regulatory partners and industry

#### Department of Energy, Environment and Climate Action (DEECA)

##### Agriculture Victoria

DFSV continues to work closely with Agriculture Victoria, a division of DEECA, to ensure that the *Dairy Act* is fit for purpose.

Throughout 2024 and into 2025, Agriculture Victoria led a suite of legislative reforms across several food-related Acts through the *Agriculture and Food Safety Legislation Amendment Act 2024* (AFSLA Act). The main goal of the AFSLA amendments was to improve how food safety regulators operate by making administrative changes. These amendments were made to the *Dairy Act*, *Meat Industry Act 1993*, *Seafood Safety Act 2003* and *Food Act*.

The AFSLA Act came into effect on 17 April 2025, and subsequent amendments to the *Dairy Act* comprise:

1. The repeal of section 21 to remove the requirement for DFSV to hold an annual general meeting with industry representatives.
2. An amendment to section 11(4) to enable the DFSV selection committee to make recommendations when there is a vacancy or absence of a selection committee member.
3. The introduction of section 36A, which creates new offences relating to the sale, delivery or provision of raw (unpasteurised) milk.

In effect, the new section 36A moves current dairy licence conditions into the *Dairy Act*, strengthening and clarifying the requirements applying to all persons selling, delivering or providing raw milk and creating an offence under the Act.

### Dairy Industry Consultative Forum

The Dairy Industry Consultative Forum is one of DFSV's primary industry engagement channels for feedback and consultation. Chaired by industry, the forum includes senior representatives from dairy businesses and peak bodies, including Australian Dairy Products Federation, United Dairyfarmers of Victoria/Victorian Farmers Federation, Dairy Farmers Victoria and Dairy Australia. Ongoing engagement with the Forum informs DFSV's operational priorities, strategic direction and guides the nature and scope of information provided to the dairy industry.

### Environmental Health Professionals Australia

DFSV continued to work with Environmental Health Professionals Australia for the sixth year in 2024–25. This organisation is one of Australia's peak environmental health bodies, run by and for its members, most of whom are Environmental Health Officers from local and state governments. Environmental Health Professionals Australia hosts several forums across Victoria, organised by geographical regions, as well as special interest groups focused on specific topics.

DFSV actively participated in the Food Safety and Security Special Interest Group, attending meetings every 2 months to foster collaboration, share knowledge, and enhance operational efficiency. DFSV presented strategies to improve food safety culture at the organisation's annual symposium in Lorne on 24 October 2024.

## Objective 2. A responsive regulator (cont.)

### Effectiveness of communication with licensees

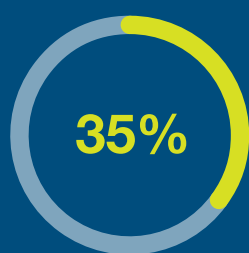
DFSV conducted its annual licensee engagement survey in May 2025 to gauge licensees' perceptions of DFSV. The overarching objective of the survey is to assess the extent of satisfaction and confidence in DFSV's ability to deliver on its regulatory obligations, including:

- Determining licensees' confidence in DFSV's ability to deliver on its regulatory obligations.
- Establishing the level of satisfaction with the quality of communications and engagement with licensees.
- Measuring awareness of Dairy RegTech, levels of participation and barriers to participation.
- Comparing with previous years' data to understand any emerging trends.

A total of 289 licensees were contacted (excluding farm licence holders) with 101 responses received for a 35% response rate (compared to 45% in 2024). This represented a response rate of 46% for manufacturers (84% in 2024), 26% for carriers (24% in 2024), 13% for distributors (3% in 2024) and 25% for licensees with integrated licences (12% in 2024).

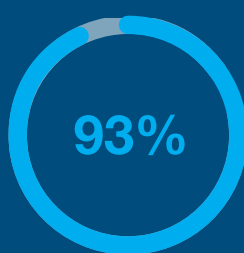
Perceptions of DFSV remained positive, along with high satisfaction with interactions and audits. Confidence in DFSV remained high with 93% of manufacturers and integrated licensees feeling very or totally confident that DFSV ensures food safety standards are maintained (on par with 93% in 2024).

Almost all (99%) of manufacturers and integrated licensees surveyed reported being audited by DFSV in the past year, and satisfaction with the experience was extremely high (96% felt satisfied) with 89% of licensees agreeing the report was provided within an acceptable timeframe.



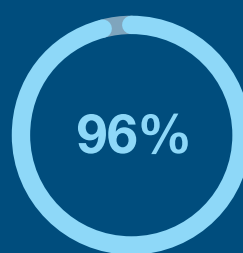
Response

**101** licensees responded  
(35% response rate)



Confidence

**93%** of licensees surveyed feel very or totally confident that DFSV ensures food safety standards are maintained



Satisfaction

**96%** of licensees surveyed felt satisfied with DFSV audit in the past year

**FIGURE 2.** Highlights from licensee engagement survey



## Objective 2. A responsive regulator (cont.)

### Manage food issues and incidents effectively with industry, government and regulatory partners

Food incidents, such as microbiological contamination of food, can result in public health and safety risks including outbreaks of illness, as well as widespread consumer concern, and significant disruption to domestic and international trade.

Victoria's Department of Health coordinates Victoria's response to outbreaks of foodborne illness and has the power to mandate food recalls. Meanwhile, DFSV oversees the investigative response of Victorian dairy food manufacturers to food incidents as required. DFSV oversees and monitors the site's root cause investigation and implementation of appropriate corrective and preventative actions. Officers attend the site if required, to verify the action has been taken.

#### Food recalls

A food recall sees a food business remove potentially unsafe food from the marketplace and the distribution chain. Australian food law requires that all food businesses have robust traceability processes in place to enable the site to undertake an effective and efficient food recall if needed.

During 2024–25, one food recall was initiated by a DFSV-licensed manufacturer. This was the recall of a small quantity of milk due to potential *Listeria monocytogenes* contamination.

#### Microbiological investigations

During 2024–25, 47 microbiological contamination detections were reported to DFSV from 26 manufacturing sites. All were investigated and managed by manufacturers with DFSV oversight. A breakdown of detections by type is presented in **Table 2**.

**TABLE 2. 2024–25 microbiological detections in dairy products notified by type**

Detections (species tested)	Number
<i>Escherichia coli</i>	29
<i>Listeria monocytogenes</i>	7
<i>Staphylococcus aureus</i>	3
<i>Salmonella</i> species	3
Other <i>Listeria</i> species	2
<i>Cronobacter</i> species	1
<i>Bacillus cereus</i>	1
Yeasts and moulds	1
<b>Total</b>	<b>47</b>

#### Surveillance and testing

DFSV completed a surveillance project reviewing the outcomes of root cause analysis conducted by licensees after food safety incidents. As part of this work, a guidance package was developed to provide a structured approach for investigating food safety issues and preventing recurrence. The package will be available on the DFSV website in the second half of 2025.

## Consumer complaints

In 2024–25 DFSV received a total of 44 consumer complaints relating to the production or sale of dairy food (see **Table 3**). Follow-up action undertaken by licensees was overseen by DFSV to ensure any potential public health risks were managed appropriately.

**TABLE 3. 2024–25 consumer complaints received by type**

Complaint Type	Number
Physical (Foreign object)	17
Operational	9
Quality	7
Labelling	5
Allergen related	3
Microbiological	2
Chemical	1
<b>Total</b>	<b>44</b>

## Emerging issues

Emerging local and global food safety issues, regulatory updates, and dairy industry news are monitored daily by the Science, Surveillance and Technical Services team, with regular updates provided to DFSV management, staff and the board. DFSV continues to monitor literature and other information to understand the potential impacts and risks of novel technologies and food production systems such as cell cultured and precision fermented foods, as well as emerging issues such as antimicrobial resistance.

DFSV has continued to actively engage and collaborate in policy discussions and regulatory development with both state and national food safety regulators such as Agriculture Victoria, Victoria's Department of Health, other state food safety authorities, and Food Standards Australia New Zealand via both formal and informal channels. This allows DFSV to be prepared to regulate these and other emerging technologies. This engagement helps to ensure that frameworks remain contemporary, science-based and fit-for-purpose, and support innovation while maintaining strong protections for public health and food safety.





Objective 3.

## Capabilities and capacity for performance

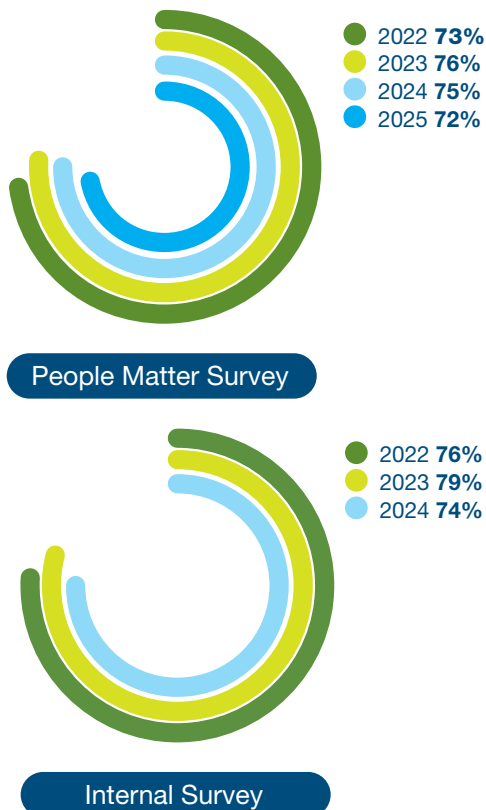
## Resourced, trained and engaged team

DFSV's people and a positive, engaged organisational culture are key to achieving our strategic objectives.

### Staff engagement

A resourced, engaged and well-trained team remains crucial in implementing DFSV's strategies.

In 2024, the decision was made to reschedule DFSV's annual internal employee engagement survey to September 2025. This means employees' feedback is captured twice in the year, as the internal survey and the People Matter Survey, which is conducted by the Victorian Public Service Commission and covers the whole public service, are now separate. Overall, staff engagement (i.e. level of motivation and connection with DFSV) showed a high level of engagement consistent with prior years. DFSV's engagement scores are shown in **Figure 3**.



**FIGURE 3.** Staff engagement survey result.

### Agency-wide learning and development plan

DFSV continues to run a program of learning and development for staff. This builds employees' skills via:

- formal training
- conferences and specialist forums
- external government technical working groups
- continuous 'on-the-job' professional development
- organisational approach to succession planning and talent identification
- change management training.

During the year staff participated face-to-face and/or virtually in engagement opportunities including:

- National Regulators Community of Practice Conference
- National Food Safety Auditor Guidelines Victorian Working Group
- Food Allergy Management Symposium and meeting with Safe Food NSW
- ANZSOG's The Professional Regulator Foundation course
- Dairy Industry Association of Australia Conference
- Specialist IT training including cybersecurity and SharePoint
- Internal education sessions on occupational health and safety
- FSANZ National Food Incident Forum meeting in NSW.

### Objective 3. Capabilities and capacity for performance (cont.)

#### Enhance scientific capabilities

DFSV supports the dairy industry by helping licensees and internal stakeholders improve their understanding of food safety and build their skills.

This support includes providing advice to manufacturing licensees, developing guidance materials, assisting with incident investigations, conducting site visits, and hosting Learning Network Forums.

In 2024–25, DFSV delivered 2 Learning Network Forum series, each with sessions held in 5 locations across Victoria. Attendees expressed interest in hearing about trends in DFSV audit findings, especially through case studies. Other topics included food fraud, new guidance materials and regulatory updates. The July 2024 series attracted 57 people representing 41 licensees, and the March 2025 series was attended by 66 attendees from 42 licensees. Feedback was positive, with participants valuing the forums as a trusted source of current information.

In January, DFSV published 5 new technical guidance documents on its website. These documents provide information about establishing and maintaining specific prerequisite programs that support food safety programs. They are part of a new suite of resources to help licensees develop and maintain food safety programs. This includes an updated version of *Developing a food safety program: guidelines for dairy food manufacturers* (2018), which will be released in the second half of 2025.

DFSV responded to 55 technical enquiries from licensees, prospective licensees and other stakeholders during the reporting period. Most enquiries (76%) related to operational issues including microbiological testing, processing, regulations and standards. Other enquiries focused on microbiology and pathogens (8%) and labelling (8%).

2



#### LEARNING NETWORK FORUM SERIES

held in 5 locations across Victoria

5



#### NEW TECHNICAL GUIDANCE DOCUMENTS

published on DFSV website

55



#### TECHNICAL ENQUIRIES

most enquiries (76%) related to  
operational issues





Learning Network  
Forum held at Noble  
Park in March 2025.



## Objective 3. Capabilities and capacity for performance (cont.)

### Continuously improve business processes and services

#### IT infrastructure

##### Victorian Protective Data Security Framework (VPDSF)

DFSV completed planned activities in its 2024–25 Protective Data Security Plan.

##### Strategic plan implementation

DFSV implemented actions from the independent strategic review of its information technology function and capability including:

- migrating on-premises business and ICT systems to cloud hosted environments
- enabling licensees to submit audit reports and milk volume reports online
- improving DFSV's cyber security controls.

#### Digital Strategy

DFSV continues to deliver under its Digital Strategy 2023–27 plan. In this reporting period, the following work was carried out:

##### AI usage, policy guidance and staff awareness

DFSV has developed a comprehensive policy and guidance framework to ensure responsible and ethical use of artificial intelligence (AI). This policy sets out clear rules for use of AI, with a strong focus on data privacy and security. An AI staff awareness program has also been launched, offering training sessions and resources to help employees build their understanding of AI technologies and their potential impacts. These initiatives are designed to foster a culture of informed and ethical AI use, aligning with DFSV's commitment to innovation and integrity.

The organisation is actively preparing for the future of AI and exploring its potential to enhance efficiency and provide meaningful support to staff. The aim is to stay informed and educated about this rapidly evolving technology, ensuring that any integration is strategic and supports smarter, more streamlined ways of working.

##### Implementation of SharePoint records management system

DFSV's transition to SharePoint to replace the legacy records management system is near completion. This is the final business application to be moved to a cloud environment, improving DFSV's cybersecurity and reducing infrastructure administration and maintenance burdens.

##### Delivery of a self-service licensing portal for licensees

The rollout of the licensee portal began in 2024–25 as part of a staged implementation plan, with full access for all licensees expected to be completed in 2025–26. The licensee portal enables licensees to view and update their information, obtain a copy of their licence certificate, access historical audit reports and corrective action requests and upload files to share with DFSV.

DFSV continued to develop and roll out the separate Dairy RegTech data sharing portal, which provides licensees with access to relevant information and reports.

##### Risk management framework

DFSV has procedures to identify, analyse and manage organisational risks. To ensure risk continues to be managed effectively, DFSV regularly reviews its risk management register and processes. In 2024–25, DFSV again participated in a Victorian Managed Insurance Authority risk maturity survey (self-assessment). The survey results help DFSV to review, understand and mature internal risk management culture and practices. In 2024–25, the board reviewed and approved revisions to DFSV's risk management policy, framework and risk appetite. Minor amendments to these documents updated information, provided further clarity, and incorporated improvement opportunities.

##### Legislative compliance

DFSV has compliance monitoring, management and reporting processes to meet its legislative obligations and responsibilities, manage related compliance risks, and conduct its activities and business lawfully and responsibly. DFSV maintains a suite of internal policies and procedures covering finance, governance, human resources, corporate, regulatory operations and science to ensure business practices meet legislative requirements.

## Internal audit program

DFSV's internal audit program helps improve risk management, internal controls, governance and operational efficiency. It also ensures compliance with relevant laws, regulations, government policies, and DFSV procedures, while identifying opportunities for continuous improvement. The audit plan operates on a 3-year cycle, using a risk-based, pragmatic and forward-looking approach to assess governance, financial controls and IT risks. In 2024–25, audits focused on reviewing DFSV's compliance with safety and wellbeing standards, financial management regulations, and dairy production reporting for a sample of licensees. No high-risk issues were found.

## Complaints management

DFSV is committed to responding to and addressing any complaints received about its services or decisions within 20 business days. DFSV did not receive any complaints during 2024–25.

## Financial management

As a Victorian public sector agency, DFSV operates within DEECA's Portfolio Financial Management Compliance Framework to provide effective, efficient and responsible financial management of public resources.

DFSV maintains appropriate financial systems, and regularly reviews its accounting policies and procedures, to ensure ongoing compliance with the framework.

DFSV operated with expenditure for the year remaining within acceptable limits of the 2024–25 budget. This was achieved while continuing to meet regulatory service delivery requirements, ongoing stakeholder engagement and technical support.

The increase in income from transactions compared to 2023–24 is mainly due to manufacturer and farm licence renewal fees and volume changes. The rise in total expenses compared to 2023–24 impacting the net result and net cashflow reflects repositioning DFSV's cost base to meet future requirements including work on DFSV's food safety culture maturity program, development of the 2025–30 Corporate Plan, assessment of the digital strategy, transition of the legacy records management system to SharePoint, and establishment of the appropriate staffing and Executive structure for the post-reform environment.

The effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the operating statement, are outside of DFSV's control.

**TABLE 4. Five-year financial summary**

	2024–25 \$	2023–24 \$	2022–23 \$	2021–22 \$	2020–21 \$
Total income from transactions	6,380,662	6,221,651	6,527,853	6,504,712	6,207,078
Total expenses from transactions	7,134,014	6,147,257	6,255,288	(6,733,871)	(6,343,413)
Net result from transactions	(753,352)	74,394	272,565	(229,159)	(136,335)
Other economic flows	(4,094)	(27,888)	10,769	47,846	4,824
Comprehensive result	(757,446)	46,506	283,334	(181,313)	(131,511)
Net cashflow from operating activities	(344,226)	500,940	411,026	93,503	316,388
<b>Total assets</b>	<b>7,810,748</b>	<b>8,472,680</b>	<b>8,547,938</b>	<b>8,665,850</b>	<b>8,265,009</b>
<b>Total liabilities</b>	<b>1,722,808</b>	<b>1,627,294</b>	<b>1,749,058</b>	<b>2,150,304</b>	<b>1,568,150</b>

# Governance and organisational structure



## DFSV Board

The *Dairy Act* provides that the DFSV Board consists of 7 members appointed to ensure a balance of skills and expertise. The Minister appoints the Chairperson and may also appoint one member nominated by the Secretary of DEECA. The Minister appoints the remaining 5 members, after consideration of any recommendations of the selection committee established under the *Dairy Act*.

Under section 9 of the Act, board members are appointed because of their expertise in one or more of the following areas:

- on-farm milk production
- dairy food manufacturing
- public health
- food technology and safety
- business management
- consumer issues
- any other area the Minister considers relevant to DFSV's functions or powers.

Each member holds office for a term not exceeding 3 years, and is eligible for re-appointment. The current board members' terms commenced in October 2024. Mr Luke Wilson PSM was appointed to the role of Chairperson effective 12 April 2025.

The DFSV Board sets strategic direction and oversees the organisation's management and performance, within the framework set by the Act. It is accountable to the Victorian Parliament through the Minister.



## Board members

(as at 30 June 2025)



### **Luke Wilson PSM** Chairperson

Luke Wilson is an experienced public sector leader and advocate, with a long career shaping policy agenda across jurisdictions and shaping organisational policy and strategy in public sector agencies. Luke's expertise is prominent in the agriculture, biosecurity, natural resources, fisheries, game management, emergency management and infrastructure fields, having spent many years within and leading Victoria's agriculture portfolio, including numerous regulatory functions. He has also worked in South Australian and Australian Public Sector roles.

Luke was Victoria's first Cross Border Commissioner, from 2018 to 2024, advocating for communities and businesses along each of Victoria's state borders. In 2025 Luke was awarded the Public Service Medal for his contribution to regional communities.

Luke holds a Bachelor of Forest Science from the University of Melbourne, a Graduate Diploma in Economics from La Trobe University, a Graduate Diploma in Management from the Australian Catholic University, and an Executive Certificate in Public Leadership from the Harvard Kennedy School.

In addition to his role as Chairperson at DFSV, Luke is a board member of Wodonga TAFE and Victoria's Game Management Authority. He is an Adjunct Professor at the La Trobe University Business School as well as a member of several advisory boards with La Trobe University, including the La Trobe Institute for Sustainable Agriculture & Food.



### **Polly Bennett** Deputy Chairperson

Polly has extensive governance and leadership experience across commercial, government and not for profit organisations in the agribusiness, food safety, education, health, transport, ports and infrastructure sectors.

Polly is Chairperson of the Greater Sydney Local Land Services Board, and a member of the Local Land Services State Board of Chairs, Chairperson of the SkillsIQ Australia Board, Independent Member of the NSW Biofuels Expert Panel and a member of the Tocal Agricultural College Advisory Board.

Polly was previously CEO of NSW Food Authority, Acting Deputy Director General of Agriculture NSW, Director of Agribusiness Development Department Primary Industries, and CEO of Australian Lot Feeders Association.



### **Tania Luckin**

Tania operates a dairy farming business milking 600 cows in South West Victoria. She has more than 25 years' experience in successfully operating small, medium and large-scale dairy farms in Victoria and South Australia. Tania has been involved in various industry organisations at regional and national levels, and has held a range of governance roles including a director of WestVic Dairy, Bonlac Supply Company, and Deputy Chairperson at Dairy Australia. Tania is a graduate of the Australian Institute of Company Directors.

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### **Dr Tracey Marsden**

Tracey has qualifications in veterinary science, business and public administration and adult education. She has worked in the Victorian public sector since 2014. During this time, she has led a number of significant legislative reforms relating to animal welfare and domestic animals. She previously worked in dairy, biosecurity and food policy. Tracey is currently Director, Office of the Deputy Secretary, Corporate Services for the Department of Energy, Environment and Climate Action.

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### **Dr Scott Crerar**

Scott is an experienced senior executive with over 20 years of experience in food safety and regulation, specialising in risk assessment and management roles. He has held key positions in public health and agriculture within various federal government departments. Most recently, he led and oversaw the science and risk assessment functions at Food Standards Australia New Zealand.

Scott's international experience includes holding food safety roles in Hong Kong and New Zealand, and he has collaborated with global agencies such as the APEC Food Safety Cooperation Forum and Codex Alimentarius. He has represented Australia at both forums, notably chairing the nation's delegation to the Codex Taskforce on Antimicrobial Resistance from 2017 to 2021.

Scott has served as a director for several non-profit organisations and is currently the Chairperson of Australia's Food Safety Information Council. He serves on the Hong Kong Government's Expert Advisory Committee on Food Safety.

During the year, 5 scheduled board meetings and 5 board committee meetings were held.

**TABLE 6. Membership of DFSV committees at 30 June 2025 (all members independent, non-executive)**

Risk Management and Audit	Assists the Board to fulfil its corporate governance and statutory responsibilities in relation to financial reporting, internal control, risk management systems and internal and external audit functions.	<ul style="list-style-type: none"> <li>• Polly Bennett, Committee Chairperson</li> <li>• Dr Scott Crerar</li> <li>• Tania Luckin</li> </ul>
People and Culture	Assists the Board in fulfilling its statutory responsibilities in relation to people and culture, including occupational health and safety.	<ul style="list-style-type: none"> <li>• Tania Luckin, Committee Chairperson</li> <li>• Dr Scott Crerar</li> <li>• Dr Tracey Marsden</li> </ul>

**TABLE 5. Attendance at board and board committee meetings in 2024–25**

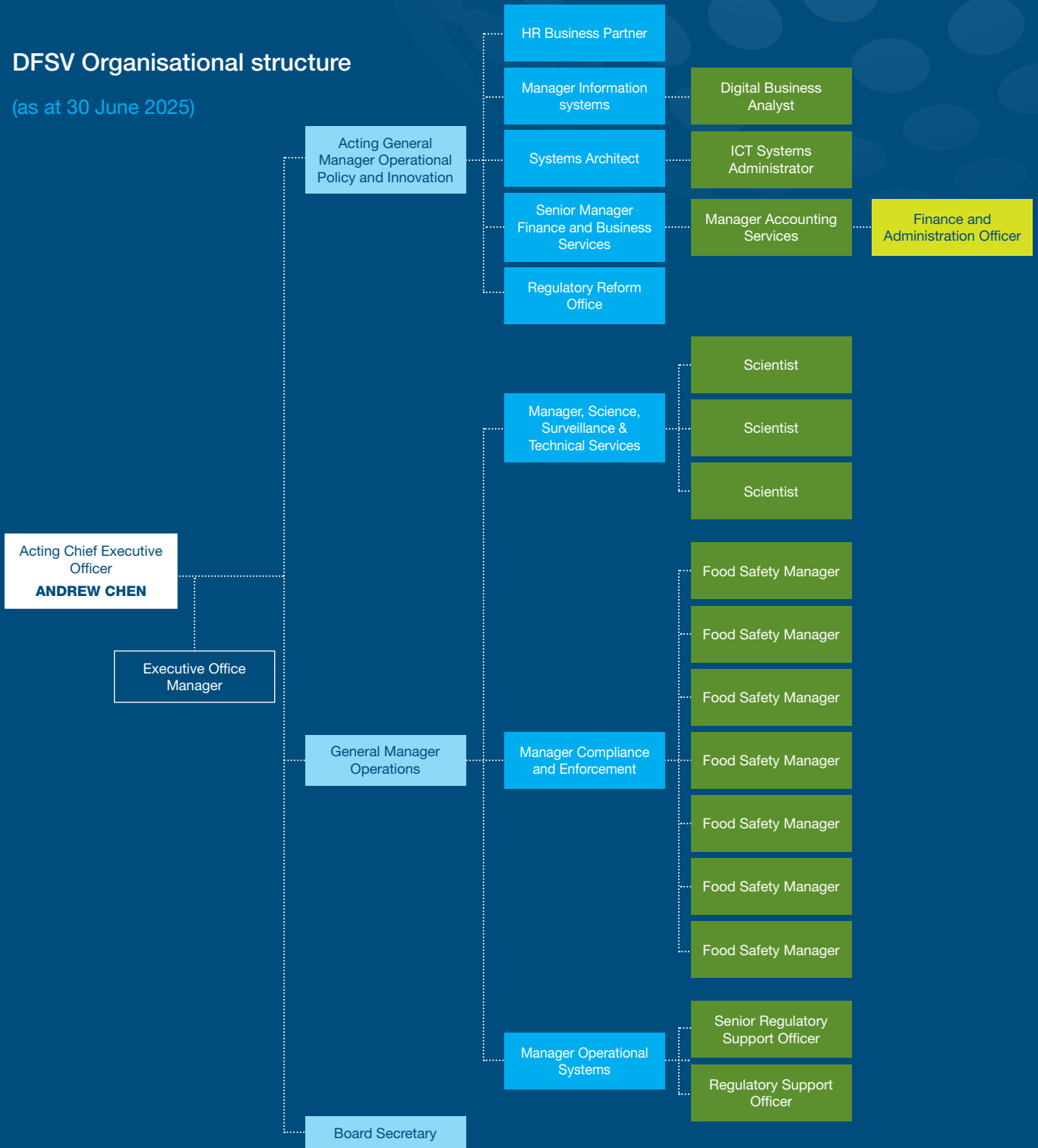
	Board	RMA Committee	People and Culture Committee
Board member	Number of meetings attended/(number of meetings eligible to attend)		
Luke Wilson (Chairperson) <sup>a</sup>	1/1	N/A	N/A
Dr Anne Astin (Chairperson) <sup>b</sup>	4/4	N/A	N/A
Dr Michele Allan (Deputy Chairperson) <sup>c</sup>	3/3	2/3	N/A
Tania Luckin <sup>d</sup>	4/5	1/1	2/2
Dr Tracey Marsden <sup>d</sup>	5/5	N/A	2/2
Nick Renyard <sup>e</sup>	1/1	0/1	N/A
Peta Slack-Smith <sup>c</sup>	3/3	2/3	N/A
Polly Bennett (Deputy Chairperson) <sup>f</sup>	3/4	2/2	N/A
Dr Scott Crerar <sup>f</sup>	4/4	1/1	1/1
Dr Joanna Wriedt <sup>e</sup>	1/1	N/A	1/1

**Notes:**

<sup>a</sup> appointed 12 April 2025; <sup>b</sup> term ended 11 April 2025; <sup>c</sup> resigned 10 March 2025; <sup>d</sup> for full financial year 2024–25; <sup>e</sup> appointment ended 11 October 2024; <sup>f</sup> appointment commenced 12 October 2024

# DFSV Organisational structure

(as at 30 June 2025)



# Occupational health and safety

DFSV continues to implement its occupational health and safety (OHS) framework. The framework identifies, mitigates and manages workplace risk to staff, ensuring the workplace remains as safe and healthy as possible.

The OHS framework includes:

- Maintaining OHS policies and procedures
- Reviewing and monitoring a hazard risk register
- Using incident and near-miss reporting processes
- Inspecting workplaces
- Health Safety and Wellbeing Committee meeting four times a year
- OHS training
- Communicating regularly with staff and the board on health and safety matters.

DFSV has 2 trained contact officers (one male and one female) available to staff who can advise on issues relating to workplace behaviour and conduct such as discrimination, harassment and bullying.

In 2024–25, DFSV continued to focus on changes to the *Occupational Health and Safety Act 2004 (Vic)* regarding monitoring and reporting psychosocial hazards. The OHS policy was updated to include specific mention of psychosocial hazards as well as DFSV's commitment to establishing a culture of psychological safety at the organisation.

DFSV offered various OHS-related activities to employees this year, which aimed to mitigate the risks associated with health, safety and wellbeing. These included:

- an influenza vaccination program
- personal protective equipment and car safety equipment for field staff
- defensive driving training for field staff
- an employee assistance program
- health and wellness products and services for employees
- new or refresher training for applicable first aid and contact officers
- ongoing staff health and wellbeing monitoring.

An internal audit of OHS by HLB Mann Judd in 2025 offered suggestions for improving DFSV's OHS framework and the implementation of these recommendations has commenced.



# Workforce data

## Employment and conduct principles

DFSV administers its industrial relations framework by aligning relevant policies, procedures and organisational values with the Victorian public sector employment and conduct principles. DFSV makes employment decisions based on employee merit including at recruitment, at completion of the probationary period, and during performance assessment.

## Comparative workforce data

The following table discloses the head count and full-time equivalent (FTE) of all active employees of DFSV, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period (2024).

**TABLE 7. Summary of employment levels at 30 June 2025 and 30 June 2024**

	Ongoing employees			Fixed term and casual	
	Total employee headcount (HC)	Full time (HC)	Part time (HC)	FTE (full-time equivalent)	FTE
June 2025	29	23	6	27.7	0
June 2024	23	17	6	21.6	2.8

**TABLE 8. Detail of employment levels at 30 June 2025 and 30 June 2024**

	June 2025		June 2024	
	Ongoing		Ongoing	
Position	Full and part-time (headcount)	FTE	Full and part-time (headcount)	FTE
Executive	2	2	1	1
Corporate	15	13.9	10	8.9
Technical	12	11.8	12	11.7
<b>Total</b>	<b>29</b>	<b>27.7</b>	<b>23</b>	<b>21.6</b>

**Notes:**

All figures reflect employment levels during the last full pay period in June of each year.

Excluded from workforce data include employees on leave without pay or absent on secondment, graduates, external contractors/consultants and temporary staff employed by employment agencies.

Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

Employees have been correctly classified in workforce data collections.



# Other disclosures

## Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy and Major Project Skills Guarantee Policy, which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First Policy in all projects valued at \$3 million or more in metropolitan Melbourne, or \$1 million or more in regional Victoria. DFSV has not undertaken any projects during the year to which the Local Jobs First Policy relates.

## Disclosure of consultancy expenditure

In 2024–25, there were consultancies engaged where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2024–25 in relation to these consultancies was \$9,150 (excluding GST).

Individual consultancies where the total fees payable to the consultants were \$10,000 or greater are outlined in **Table 9**. The total expenditure incurred during 2024–25 in relation to these consultancies was \$410,386 (excluding GST).

**TABLE 9. Consultancy expenditure**

Consultant	Purpose of consultancy	Total approved project fee (\$)	Expenditure 2024–25 (\$)	Future expenditure (\$)
HLB Mann Judd	Internal audit reviews	40,000	38,417	-
Nous Group Pty Ltd	Digital strategy review	43,000	42,500	-
Cultivate SA Lone Jespersen	Food safety culture reviews	200,000	197,172	-
Foley's List Pty Ltd	Legal advice	19,000	19,000	-
Justitia Pty Ltd	Legal advice	54,703	54,703	-
M&K Lawyers Group Pty Ltd	Legal advice	10,182	10,182	-
Minter Ellison	Legal advice	26,674	26,674	-
Quantum Market Research (Aust) Pty Ltd	Stakeholder engagement survey	25,000	24,225	-
<b>Totals</b>		<b>418,559</b>	<b>412,873</b>	<b>-</b>

## Reviews and studies expenditure

During 2024–25 6 reviews were undertaken with a total cost of \$277,652 (exc GST). Details of the reviews are outlined in Table 10.

**TABLE 10. Reviews and studies expenditure**

Name of review	Reason for review	Scope	Outcomes	Expenditure (\$)	Publicly available
Review of Compliance with DEECA's Financial Management Framework	Formed part of the 2024–25 internal audit program	Assessment of compliance with the Portfolio Financial Management Compliance Framework	No compliance deficiencies identified	10,000	N
Review of Occupational Health and Safety	Formed part of the 2024–25 internal audit program	Review to evaluate the internal control system to workplace health and safety	Identified low risk opportunities for improvement to processes	12,526	N
Review of Manufacturer Declared Production Data	Formed part of the 2024–25 internal audit program	Conduct assurance work for the verification of licensing fees collected by DFSV and the collection process	Identified opportunities to improve the administrative aspects of DFSV's annual licence renewal process	15,454	N
Review of DFSV's digital strategy and roadmap	To assess DFSV's current digital systems fit for purpose for the next Corporate Plan period (5 years)	Assessment of all digital systems	A plan of initiatives that will uplift DFSV's digital systems to deliver on the next 5-year Corporate Plan	42,500	N
Review of DFSV's maturity against the Food Safety Regulatory Body maturity model	To identify any gaps in DFSV maturity against the Food Safety Regulatory maturity model	Engagement with relevant stakeholders	Preliminary findings relating to staff development opportunities. Review on hold to be reassessed in 2025–26	136,028	N
Review of DFSV's licensee food safety culture maturity model	Review of the Dairy RegTech Food Safety Culture Maturity Model to evaluate its suitability as the foundation for a dedicated food safety culture support program for licensees	Review focused specifically on the technical aspects of the Dairy RegTech program as they relate to assessing food safety culture maturity	Update the program to align with current best practice	61,144	N
<b>Total</b>				<b>277,652</b>	

## Information and communications technology (ICT) expenditure

**Table 11** shows that in 2024–25 DFSV's total ICT expenditure was \$489,867.

ICT expenditure refers to costs in providing business-enabling ICT services. It comprises business as usual (BAU) ICT expenditure and non-business as usual (non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing DFSV's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain current ICT capability.

### Disclosure of major contracts

DFSV did not enter into any major contracts during 2024–25. A 'major contract' is a contract valued at \$10 million or more.

### Government advertising expenditure

DFSV did not undertake a government advertising campaign in 2024–25.

### Emergency procurement

In 2024–25, DFSV was not required to activate any emergency procurement, resulting in no spending on emergency procurements.

### Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), DFSV must disclose any formal complaints relating to procurement if goods and services received through its procurement complaints management system.

DFSV did not receive any formal complaints through its procurement complaints management system in 2024–25.

## Freedom of information

The *Freedom of Information Act 1982* (FOI Act) allows the public right of access to documents held by DFSV, including documents created by DFSV or supplied to DFSV by external parties. The FOI Act allows DFSV to refuse access, either fully or partially, to certain documents or information.

Under the FOI Act, the FOI processing time for requests is 30 days. However, when external consultation is required under sections 29, 29A, 31, 31A, 33, 34 or 35, processing time is 45 days. Processing times may also be extended by periods of 30 days in consultation with the applicant. However, obtaining an applicant's agreement for an extension(s) cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by DFSV, under section 49A of the Act, the applicant has the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

In 2024–25, DFSV did not receive any freedom of information requests.

### Making a request

FOI requests can be made in writing, identifying as clearly as possible the documents requested, and include payment of the \$33.60 application fee. The fee may be waived if payment is likely to cause hardship to the applicant. Applicants can get assistance with their requests to determine the type of documents they want. Access charges may also apply once documents are processed, and a decision on access is made (for example, photocopying or search and retrieval charges).

The address for document requests to DFSV is:

- **Freedom of Information Officer**  
Dairy Food Safety Victoria  
PO Box 8221  
Camberwell North, Victoria, 3124

For more information about FOI visit [ovic.vic.gov.au](http://ovic.vic.gov.au)

**TABLE 11. ICT expenditure (\$)**

All operational ICT expenditure Business as usual (BAU) ICT expenditure (Total)	ICT expenditure related to projects to create or enhance ICT capabilities		
	Non-business as usual (non-BAU) ICT expenditure (Total = operational expenditure and capital expenditure)	Operational expenditure	Capital expenditure
466,624	23,243	23,243	-

## Compliance with the Building Act

DFSV does not own or control any buildings and is therefore exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

## National Competition Policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any advantage arising solely from their government ownership is removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

DFSV fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

## Compliance with the Public Interest Disclosures Act

The *Public Interest Disclosures Act 2012* (PID Act) encourages and supports people in making public interest disclosures of improper conduct or detrimental action by public officers and public bodies, including DFSV, its employees and Board members. The PID Act protects people who make disclosures in accordance with the PID Act, and establishes a system for investigating any matters disclosed, and initiating any necessary rectifying action.

DFSV recognises the value of transparency and accountability in its administrative and management practices and supports making disclosures that reveal improper conduct. It does not tolerate improper conduct by the organisation, its employees, officers or Board members, or taking detrimental action in reprisal against those who come forward to disclose such conduct.

DFSV has established procedures to facilitate and encourage making disclosures under the PID Act, and how DFSV will manage the welfare of persons connected with public interest disclosures. For more information about DFSV's Public Interest Disclosure Procedures go to: [www.dairysafe.vic.gov.au](http://www.dairysafe.vic.gov.au).

DFSV is unable to receive public interest disclosures. A disclosure under the PID Act about improper conduct of, or detrimental action taken in reprisal for a public interest disclosure by, DFSV or its employees and board members, should be made in writing to:

- **Victorian Independent Broad-based Anti-Corruption Commission (IBAC)**  
Level 1, North Tower 459 Collins Street  
Melbourne, Victoria 3000  
GPO Box 24234  
Melbourne, Victoria, 3001

IBAC offers online and downloadable forms which also provide for anonymous disclosures available at: [www.ibac.vic.gov.au/reporting-corruption/report](http://www.ibac.vic.gov.au/reporting-corruption/report)

For further information, please phone IBAC on 1300 735 135, or email [info@ibac.vic.gov.au](mailto:info@ibac.vic.gov.au).

## Environmental reporting

DFSV's environmental policy aims to maintain and, where possible improve, environmentally sustainable practices, and describes the agency's approach to responsible environmental management. DFSV has continued to promote environmental sustainability within its office and field-based operations, and has maintained the following initiatives to help reduce the organisation's environmental footprint:

- **Recycling where possible:** including paper, plastic bottles, cans, organic green waste, toner cartridges, spent batteries and obsolete ICT and office equipment.
- **Energy-saving office-based practices:** encouraging turning off lights, and a switch-off policy for computers and appliances. DFSV's electricity consumption and greenhouse gas emissions decreased by 3.8% for the 2024–25 year compared to the 2023–24 year.
- **Minimising energy, water and paper use:** including using energy efficient lighting, using water efficient tap fittings and appliances, applying double-sided printing, and reducing paper use with progressive digitisation of records.
- **Transport:** reducing greenhouse gas emissions associated with DFSV's vehicle fleet by leasing hybrid fuel efficient cars, use of public transport by staff where possible, and providing cycle storage facilities for staff.
- **Purchasing:** making environmentally sound purchasing decisions for capital items and consumables, including carbon neutral paper, and appliances with high star energy efficiency ratings.

## Social procurement

DFSV supports the Victorian Government's directions under the Social Procurement Framework, and recognise we have a part to play in advancing social and sustainable outcomes for Victorians.

In 2020, DFSV developed a Social Procurement Strategy which sets out how social and sustainable outcomes through procurement can be supported.

The strategy prioritises the following objectives, which best fit our identified procurement opportunities:

- **Supporting safe and fair workplaces:** by using suppliers that comply with industrial relations laws and promote secure employment.
- **Opportunities for disadvantaged Victorians:** by using suppliers that employ disadvantaged Victorians.
- **Sustainable Victorian regions:** by supporting local businesses in regional Victoria when travelling to licensee sites to conduct audits.
- **Environmentally sustainable outputs:** by using suppliers that adopt environmentally sustainable practices.

As part of a tender process, potential suppliers to DFSV are required to provide information on their social and sustainability activities for assessment against the above objectives. When travelling to licensee sites to conduct audits, DFSV supports local businesses in regional Victoria.

## Availability of additional information on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below are kept by DFSV and available on request, subject to the provisions of the FOI Act.

1. A statement that declarations of pecuniary interests have been duly completed by all officers.
2. Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
3. Details of publications produced by the entity about itself, and how these can be obtained.
4. Details of changes in prices, fees, charges, rates and levies charged by the entity.
5. Details of any major external reviews carried out on the entity.
6. Details of major research and development activities undertaken by the entity.
7. Details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit.
8. Details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services.
9. Details of assessments and measures undertaken to improve the occupational health and safety of employees.
10. A general statement on industrial relations within the entity, and details of time lost through industrial accidents and disputes.
11. A list of the major committees sponsored by the entity, the purposes of each committee, and the extent to which the purposes have been achieved.
12. Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

If not already available on DFSV's website or in the annual report, further information is available on request, either partially or fully, by contacting:

- **The Chief Executive Officer**  
Dairy Food Safety Victoria  
PO Box 8221  
Camberwell North, VIC 3124  
Or email [info@dairysafe.vic.gov.au](mailto:info@dairysafe.vic.gov.au)

## Attestation for financial management compliance

### Dairy Food Safety Victoria's Financial Management Compliance Attestation Statement

I, Luke Wilson, on behalf of the Responsible Body, certify that Dairy Food Safety Victoria has been granted a full exemption from the Standing Directions 2018 under the *Financial Management Act*. This exemption has been granted by the Assistant Treasurer on the basis Dairy Food Safety Victoria complies with the Department of Energy, Environment and Climate Action's Portfolio Financial Management Compliance Framework.



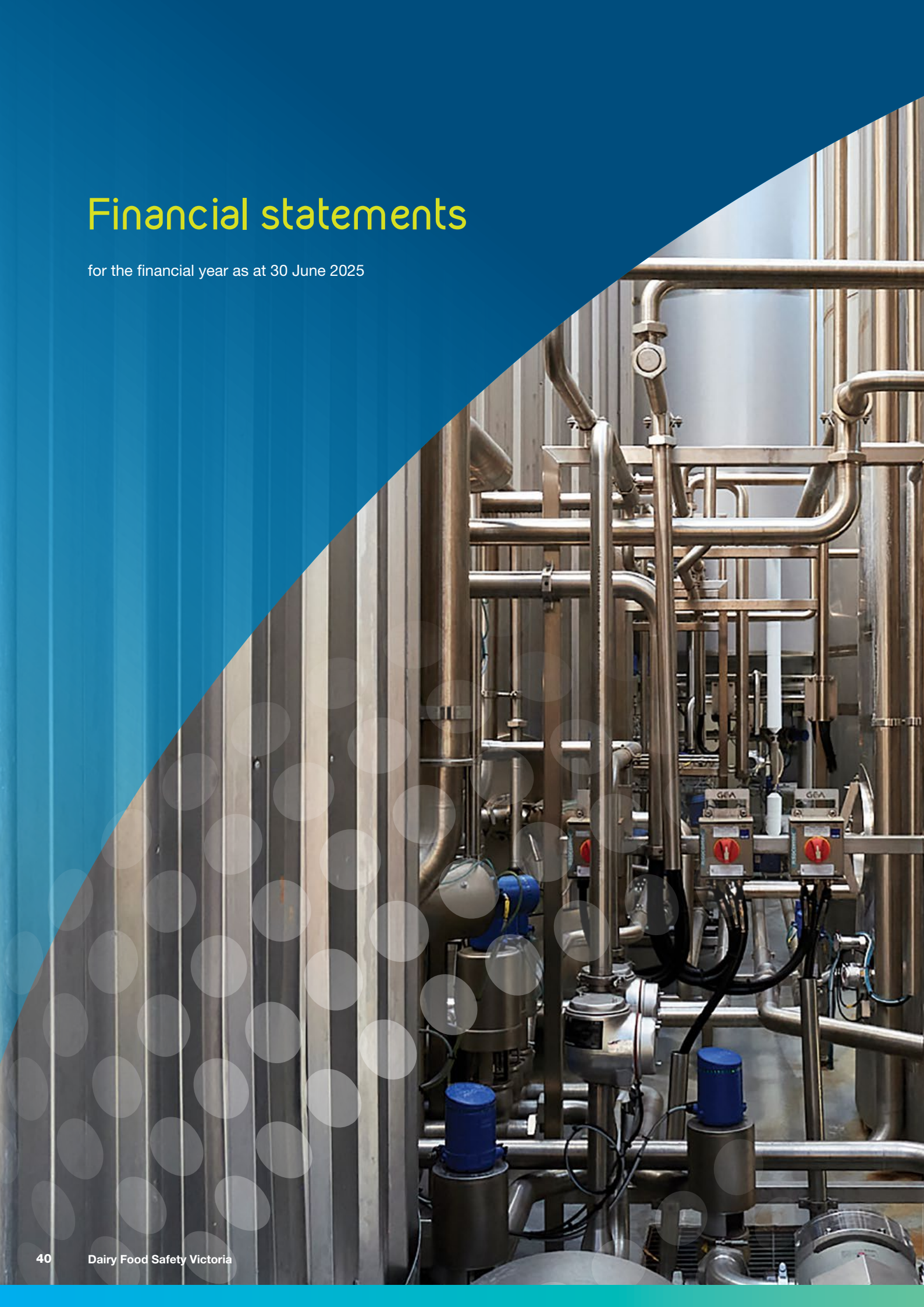
Luke Wilson PSM  
Chairperson

25 August 2025



# Financial statements

for the financial year as at 30 June 2025



## How this report is structured

Dairy Food Safety Victoria (DFSV) has presented its audited general purpose financial statements for the financial year ended 30 June 2025 in the following structure, to provide users with the information about DFSV's stewardship of resources entrusted to it.

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<b>Independent Auditor's Report</b>	<b>43</b>	5.1 Other assets	58
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3.2 Other operating expenses	54	8.2 Other economic flows included in the net result	67
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## Declaration by the Chairperson, Chief Executive Officer and Chief Finance and Accounting Officer

for the financial year as at 30 June 2025

The attached financial statements for Dairy Food Safety Victoria have been prepared in accordance with applicable requirements of the *Financial Management Act 1994*, the Portfolio Financial Management Compliance Framework, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to the financial statements, presents fairly the financial transactions during the year as at 30 June 2025 and financial position of Dairy Food Safety Victoria at 30 June 2025.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 25 August 2025.



**Luke Wilson**

Chairperson

Melbourne

25 August 2025



**Andrew Chen**

Acting Chief Executive Officer

Melbourne

25 August 2025



**Daryl Glover**

Chief Finance and Accounting Officer

Melbourne

25 August 2025

## Independent Auditor's Report



### Independent Auditor's Report

#### To the Board of Dairy Food Safety Victoria

<b>Opinion</b>	<p>I have audited the financial report of Dairy Food Safety Victoria (the entity) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2025</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• declaration by the Chair, Acting Chief Executive Officer and Chief Finance and Accounting Officer.</li></ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Australian Accounting Standards - Simplified Disclosures.</p>
<b>Basis for opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 the 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 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 the 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 entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board'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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.

I communicate with the Board regarding, 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 my audit.

---

MELBOURNE  
28 August 2025



Timothy Maxfield  
*as delegate for the Auditor-General of Victoria*

## Comprehensive operating statement

for the financial year ended 30 June 2025

	Notes	2025 \$	2024 \$
<b>Income and revenue from transactions</b>			
Licence and service fees revenue	2.2.1	6,050,577	5,882,515
Interest income	2.2.2	329,885	338,896
Other income	2.2.3	200	240
<b>Total income and revenue from transactions</b>		<b>6,380,662</b>	<b>6,221,651</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1.1	4,676,956	3,947,610
Depreciation and amortisation	4.1.2 & 4.2	266,992	319,787
Product testing and laboratory evaluation costs		436,179	477,803
Interest expense	6.3	19,816	23,255
Other operating expenses	3.2	1,734,071	1,378,802
<b>Total expenses from transactions</b>		<b>7,134,014</b>	<b>6,147,257</b>
<b>Net result from transactions (net operating balance)</b>		<b>(753,352)</b>	<b>74,394</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets <sup>b</sup>		682	(35,523)
Other gains/(loss) from other economic flows	8.2	(4,776)	7,635
<b>Total other economic flows included in net result</b>		<b>(4,094)</b>	<b>(27,888)</b>
<b>Comprehensive result</b>		<b>(757,446)</b>	<b>46,506</b>

*The accompanying notes form part of these financial statements.*

Notes:

a. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

b. 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

## Balance sheet

as at 30 June 2025

	Notes	2025 \$	2024 \$
<b>Assets</b>			
<i>Financial assets</i>			
Cash and deposits	6.1	7,085,332	7,659,845
Receivables	5.1.1	87,012	81,958
<b>Total financial assets</b>		<b>7,172,344</b>	<b>7,741,803</b>
<i>Non-financial assets</i>			
Property, plant and equipment	4.1	601,587	658,359
Intangible assets	4.2	5,341	24,479
Prepayments	5.1.2	48,257	60,979
<b>Total non-financial assets</b>		<b>655,185</b>	<b>743,817</b>
<b>Total assets</b>		<b>7,827,529</b>	<b>8,485,620</b>
<b>Liabilities</b>			
Payables	5.2.1	315,616	296,633
Employee benefits	3.1.2	934,976	814,717
Lease liabilities	6.3	488,997	528,884
<b>Total liabilities</b>		<b>1,739,589</b>	<b>1,640,234</b>
<b>Net assets</b>		<b>6,087,940</b>	<b>6,845,386</b>
<b>Equity</b>			
Contributed capital		1,800,000	1,800,000
Accumulated surplus		4,287,940	5,045,386
<b>Net worth</b>		<b>6,087,940</b>	<b>6,845,386</b>

*The accompanying notes form part of these financial statements.*

Notes:

a. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

## Cash flow statement

for the financial year ended 30 June 2025

	Notes	2025 \$	2024 \$
<b>Cashflow from operating activities</b>			
<i>Receipts</i>			
Receipts received from customers		6,043,697	5,918,566
Interest received		334,650	336,183
Goods and services tax received from the ATO <sup>b</sup>		128,715	121,319
<b>Total receipts</b>		<b>6,507,062</b>	<b>6,376,068</b>
<i>Payments</i>			
Payments to suppliers and employees		(6,831,472)	(5,851,873)
Interest and other costs of finance paid		(19,816)	(23,255)
<b>Total payments</b>		<b>(6,851,288)</b>	<b>(5,875,128)</b>
<b>Net cash flows provided by/(used in) operating activities</b>		<b>(344,226)</b>	<b>500,940</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of non-financial assets		-	5,453
<b>Net cash flows from/(used in) investing activities</b>		<b>-</b>	<b>5,453</b>
<b>Cash flows from financing activities</b>			
Repayment of principal portion of lease liabilities <sup>c</sup>		(230,287)	(210,798)
<b>Net cash flows from/(used in) financing activities</b>		<b>(230,287)</b>	<b>(210,798)</b>
Net increase in cash and cash equivalents		(574,513)	295,595
Cash and cash equivalents at the beginning of the financial year		7,659,845	7,364,250
<b>Cash and cash equivalents at the end of the financial year</b>	6.1	<b>7,085,332</b>	<b>7,659,845</b>

*The accompanying notes form part of these financial statements.*

Notes:

- This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting
- GST received from the Australian Taxation Office is presented on a net basis.
- DFSV has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

## Statement of changes in equity

for the financial year ended 30 June 2025

	Contributed capital \$	Accumulated surplus \$	Total equity \$
Balance as at 1 July 2023	1,800,000	4,998,880	6,798,880
Net result for the 2023/24 year	-	46,506	46,506
Balance as at 30 June 2024	1,800,000	5,045,386	6,845,386
Net result for the 2024/25 year	-	(757,446)	(757,446)
Balance as at 30 June 2025	1,800,000	4,287,940	6,087,940

*The accompanying notes form part of these financial statements.*

Notes:

a. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

## Notes to financial statements

for the financial year ended 30 June 2025

### 1. About this report

Dairy Food Safety Victoria (DFSV) is a statutory authority of the State of Victoria, established pursuant to an order made by the Premier under the *Dairy Act 2000*. Its principal address is:

- **Dairy Food Safety Victoria**  
Level 2, 969 Burke Road  
Camberwell VIC 3124

A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

#### **Basis of preparation**

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements — Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060)* and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards (FRD 101)*.

DFSV is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards — Simplified Disclosures. DFSV's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As DFSV is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the note under the heading: 'Significant judgement or estimates'.

These financial statements cover DFSV as an individual reporting entity and include all the controlled activities of DFSV. There is no entity consolidated into DFSV.

All amounts in the financial statements have been rounded to the nearest \$1 unless otherwise stated.

#### **Compliance information**

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable AAS's which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

## 2. Funding delivery of our services

### Objectives and funding

DFSV objectives are to ensure that standards which safeguard public health are maintained in the Victorian dairy industry and to ensure that it performs its functions and exercises its powers efficiently and effectively.

DFSV fixes and charges fees for its services, including annual licence fees, and audit and inspection fees. In addition, costs for the Australian Milk Residue Analysis (AMRA) survey are recovered from the Department of Agriculture, Fisheries and Forestry.

### Significant judgement:

DFSV has made the judgement that amounts received in relation to Licence and Service fees revenue should be recognised under *AASB 15 Revenue from Contracts with Customers* (refer Note 2.2.1).

### 2.1 Summary of revenue and income that funds the delivery of our services

	Notes	2025 \$	2024 \$
Licence and service fees revenue	2.2.1	6,050,577	5,882,515
Interest income	2.2.2	329,885	338,896
Other income	2.2.3	200	240
<b>Total revenue and income from transactions</b>		<b>6,380,662</b>	<b>6,221,651</b>

Revenue and income that fund delivery of DFSV's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

### 2.2 Income from transactions

DFSV derives revenue and income from the following major sources, and recognises it under the following accounting standards:

#### 2.2.1 Licence and service fees revenue

	2025 \$	2024 \$
Licence fees	5,016,689	4,856,075
Audit and inspection fees	448,322	442,976
Income relating to the AMRA survey	585,566	583,464
<b>Total licence and service fees revenue</b>	<b>6,050,577</b>	<b>5,882,515</b>

Revenue included in the table above are transactions that DFSV has determined to be classified as revenue from contracts with customers in accordance with *AASB 15 Revenue from Contracts with Customers*.

Revenue is measured based on the consideration specified in the contract with the customer. DFSV recognises revenue when it transfers control of a service to the customer — i.e. when, or as, the performance obligations for the services to the customer are satisfied. For the above sources of revenue:

- Licence fees are recognised, using the exemptions permitted under AASB 15, at the date the licence is issued. This has been determined to be the date of invoice. As a result, no contract assets or contract liabilities arise from this income stream.
- Audit and inspection fees, and AMRA survey revenue is recognised under AASB 15, at the point of completion of the service of conducting an audit or performing the survey. Any income arising from services performed, which has not been invoiced at the reporting date, is recognised as a contract asset; but invoiced income in respect of services performed is recognised as a receivable.

#### *Licence fees*

Statutory revenue is within scope of AASB 15 due to its enforceable nature. When an agreement is in scope of AASB 15, the transaction price is determined as the price to which DFSV is expected to be entitled to receive.

For manufacturer license fees, there are no variable considerations involved in any of the revenue streams. Therefore, DFSV has applied the exemption available under AASB 15 for short-term licenses. As a result, DFSV have chosen to recognise revenue from these licenses at the date they are issued, which is the same as the invoice date.

However, farm licence fees are not considered short-term and revenues are recognised when received over the term of licence (two years).

#### *Audit and inspection fees*

Audit and inspection fees are receivable for specific activities performed by DFSV, under powers given to it under the Dairy and Food Acts, and therefore are accounted for under AASB 15. The transaction price in these agreements is the agreed fee per audit, inspection or survey, with no variable nor other complex component. DFSV recognises revenue from these sources once the related activity has been completed.

### **2.2.2 Interest income**

Interest income includes interest received on cash held in bank accounts. Refer to 7.1.1 for information on interest income.

### **2.2.3 Other income**

	2025 \$	2024 \$
Miscellaneous income	200	240
<b>Total licence and service fees</b>	<b>200</b>	<b>240</b>

### 3. The cost of delivering services

This section provides an account of the expenses incurred by DFSV in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the costs associated with provision of services are recorded.

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

#### 3.1 Expenses incurred in delivery of services

	Notes	2025 \$	2024 \$
Employee benefit expenses	3.1.1	4,676,956	3,947,610
Product testing and laboratory evaluation costs		436,179	477,803
Other operating expenses	3.2	1,734,071	1,378,802
<b>Total expenses incurred in delivery of services</b>		<b>6,847,206</b>	<b>5,804,215</b>

#### 3.1.1 Employee expenses in the comprehensive operating statement

	2025 \$	2024 \$
Salaries, annual leave and long service leave	3,863,227	3,369,368
Defined contribution superannuation expense	427,100	359,722
Other employee-related costs (FBT, payroll tax and WorkCover)	286,591	218,520
Termination payments	100,038	-
<b>Total employee and board member expenses</b>	<b>4,676,956</b>	<b>3,947,610</b>

Employee expenses include all costs related to employment including wages and salaries, board and committee fees, payroll and fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

Employees of DFSV are entitled to receive superannuation benefits and DFSV contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

DFSV does not recognise any defined benefit liability in respect of defined benefit plans. In the event that the Vision Super defined benefits fund determines that there is a shortfall following an actuarial review of the fund, the fund's participating employers (including DFSV) are required to make an employer contribution to cover the shortfall. Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of DFSV.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when DFSV is demonstrably committed to a termination without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. This includes any staff that have received a payment that falls within this definition including payment in lieu of notice or any other payments such as severance or lump sum redundancy.

### 3.1.2 Employee-related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2025 \$	2024 \$
<b>Current provisions</b>		
Annual leave	170,419	167,102
Long service leave	494,184	402,051
Provision for on-costs	124,290	99,382
<b>Total current provisions for employee benefits</b>	<b>788,893</b>	<b>668,535</b>
<b>Non-current provisions</b>		
Employee benefits	122,874	124,270
On-costs	23,209	21,912
<b>Total non-current provisions</b>	<b>146,083</b>	<b>146,182</b>
<b>Total provisions for employee benefits</b>	<b>934,976</b>	<b>814,717</b>

**Wages and salaries, annual leave and personal leave:** Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because DFSV does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As DFSV expects the liabilities to be wholly settled within 12 months of the reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as DFSV does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for personal leave as all personal leave is non-vesting and it is not considered probable that the average personal leave taken in the future will be greater than the benefits accrued in the future. As personal leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability (refer current provisions table above); even where DFSV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value — if DFSV expects to wholly settle within 12 months or
- present value — if DFSV does not expect to wholly settle within 12 months.

**Conditional LSL** is disclosed as a non-current liability (refer non-current provisions table above). There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

### 3.2 Other operating expenses

	2025 \$	2024 \$
General administration	60,738	60,027
General insurance (including motor vehicles insurance)	246,481	217,290
Information technology (refer to Note 3.3)	489,867	450,928
Occupancy (excluding operating rental lease)	75,271	73,178
Professional services (consultancies, contractors, legal, recruitment)	603,445	358,721
Staff related (non-labour)	136,596	94,642
Travel (excluding motor vehicle operating leases)	121,673	124,016
<b>Total other operating expenses</b>	<b>1,734,071</b>	<b>1,378,802</b>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised as an expense in the reporting period in which they are incurred.

The following lease payments have been recognised on a straight-line basis:

- Short-term leases — leases with a term less than 12 months;
- Low value leases — leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments that are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive operating statement (except for payments which has been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occur.

### 3.3 Accounting for Software as a Service Arrangement (SaaS)

SaaS arrangements which give DFSV rights to access a software provider's platform over the term of a contract. Under SaaS arrangements, DFSV does not recognise an intangible asset in respect of the right to access the software, where the contract does not provide DFSV with the right to the future economic benefits derived from the underlying software.

In respect of SaaS arrangements, software licence fees, and any associated costs which are not distinct from the underlying licence fee and recognised within operating expenses over the term of the service contract. Other costs, such as data conversion and testing, user training, and any customisation and configuration costs which are distinct from the licence, are recognised as an operating expense when the services in question are received.

## 4. Key assets available to support output delivery

DFSV controls assets and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources purchased by DFSV to be utilised for delivery of those outputs.

### Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

#### 4.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
Leasehold improvements	275,579	275,579	(127,105)	(102,852)	148,474	172,727
Office equipment and furniture	285,088	308,502	(224,784)	(219,003)	60,304	89,499
<b>Total plant and equipment</b>	<b>560,667</b>	<b>584,081</b>	<b>(351,889)</b>	<b>(321,855)</b>	<b>208,778</b>	<b>262,226</b>
<b>Right-of-use assets</b>						
Property	618,491	618,491	(402,019)	(278,321)	216,472	340,170
Vehicles	222,131	254,688	(45,794)	(198,725)	176,337	55,963
<b>Total right-of-use assets</b>	<b>840,622</b>	<b>873,179</b>	<b>(447,813)</b>	<b>(477,046)</b>	<b>392,809</b>	<b>396,133</b>
<b>Total right-of-use assets, plant and equipment</b>	<b>1,401,289</b>	<b>1,457,260</b>	<b>(799,702)</b>	<b>(798,901)</b>	<b>601,587</b>	<b>658,359</b>

Items of plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. The asset capitalisation threshold for recording assets is \$2,000.

Refer to Note 7.3 for additional information on fair value determination of plant and equipment.

#### *Right-of-Use assets – initial measurement*

DFSV recognises a Right-of-Use asset and a lease liability at the lease commencement date. The Right-of-Use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

#### *Right-of-Use assets – subsequent measurement*

DFSV depreciates the Right-of-Use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. In addition, the Right-of-Use asset is assessed for fair value annually and reduced for impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Refer to Note 6.3.1 for additional information on the recognition of Right-of-Use assets.

#### 4.1.1 Depreciation and amortisation

All property, plant and equipment assets that have finite useful lives are depreciated.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Class of asset	Useful life of asset
Leasehold improvements	Life of lease term (5 years)
Furniture	5 to 10 years
Office equipment	3 to 10 years
Software	3 to 10 years

Right-of-Use assets are depreciated on a straight-line basis over their lease term; 3 years for vehicles, and 5 years for property.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

At least annually management undertake an assessment for impairment indicators.

#### 4.1.2 Reconciliation of movement in carrying amount of property, plant and equipment

	Leasehold improvements \$	Office equipment & furniture \$	Right-of-use property \$	Right-of-use vehicles \$	Total \$
Opening balance 1 July 2024	172,727	89,499	340,170	55,963	658,359
Additions	-	2,388	-	188,694	191,082
Depreciation	(24,253)	(31,583)	(123,698)	(68,320)	(247,854)
Closing balance 30 June 2025	148,474	60,304	216,472	176,337	601,587

## 4.2 Intangible assets

	Software 2025 \$	Total Intangibles 2025 \$
<b>Gross carrying amount</b>		
Opening balance	402,979	402,979
Disposals/write-back of assets no longer in use <sup>a</sup>	(64,901)	(64,901)
<b>Closing balance</b>	<b>338,078</b>	<b>338,078</b>
<b>Accumulated amortisation</b>		
Opening balance	(378,500)	(378,500)
Amortisation expense	(19,138)	(19,138)
Disposals/write-back of assets no longer in use <sup>a</sup>	64,901	64,901
<b>Closing balance</b>	<b>(332,737)</b>	<b>(332,737)</b>
<b>Net book value at end of financial year</b>	<b>5,341</b>	<b>5,341</b>

Notes:

a. Represents software primarily relating to a superseded licensee website portal no longer in use.

### Initial recognition

DFSV's purchased intangible assets are software and are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. The asset capitalisation threshold for recording assets is \$5,000. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- a. the technical feasibility of completing the intangible asset so that it will be available for use or sale
- b. an intention and ability to complete the intangible asset and use or sell it
- c. the intangible asset will generate probable future economic benefits
- d. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- e. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### Subsequent measurement

Intangible assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Intangible assets have useful lives of between three and five years.

### Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment.

Intangible assets subject to annual amortisation are assessed for impairment indicators at least on an annual basis.

## 5. Other assets and liabilities

This section sets out other assets and liabilities that arose from DFSV's operations.

### 5.1 Other assets

#### 5.1.1 Receivables

	2025 \$	2024 \$
<b>Current receivables</b>		
<i>Contractual</i>		
Trade debtors <sup>a</sup>	46,146	39,066
Accrued interest	24,195	28,960
Other receivables	200	200
<i>Statutory</i>		
GST input tax credits recoverable	16,471	13,732
<b>Total current receivables</b>	<b>87,012</b>	<b>81,958</b>

Note:

a. The average credit period for receivables is 30 days. No interest is charged on receivables.

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, they are measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts, though they are recognised and measured similarly to contractual receivables (except for impairment); but are not classified as financial instruments for disclosure purposes. DFSV applies AASB 9 for initial measurement of the statutory receivables, so they are initially recognised at fair value plus any directly attributable transaction costs.

**Contract assets** relate to DFSV's right to consideration in exchange for services transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. This usually occurs when DFSV issues an invoice to the customer.

Other than trade receivables shown in Note 5.1.1 DFSV had no contract assets relating to contracts with customers as at the reporting date.

#### 5.1.2 Prepayments

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that financial accounting period.

#### 5.1.3 Impairment of financial assets

DFSV records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. DFSV's contractual receivables and statutory receivables are subject to AASB 9 impairment assessment.

Contract assets recognised applying AASB 15 also subject to impairment requirements of AASB 9.

#### Contractual receivables at amortised cost

DFSV applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. DFSV has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on DFSV's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

### Statutory receivables at amortised cost

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance has been recognised.

## 5.2 Other liabilities

### 5.2.1 Payables

	2025 \$	2024 \$
<b>Current payables</b>		
<i>Contractual</i>		
Supplies and services <sup>a</sup>	154,586	167,249
Employee benefit accruals and on-costs	62,799	39,055
<i>Statutory</i>		
Payroll PAYG payable	68,328	67,003
Payroll tax payable	13,122	10,386
GST payable	16,781	12,940
<b>Total current payables</b>	<b>315,616</b>	<b>296,633</b>

Note:

a. The average credit period for payables is 30 days.

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. They represent accounts payable and accrued liabilities for goods and services provided to DFSV prior to the end of the financial year that are unpaid, and arise when DFSV becomes obliged to make future payments in respect of the purchase of those goods and services; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Due to the short-term nature of current payables, their carrying value is assumed to approximate their fair value and maturity dates are one month or less.

### 5.2.2 Contract liabilities

There was no contract liability balance at the beginning of the reporting period, and no revenue recognised in the reporting period impacting the contract liability balance for the end of the reporting period.

## 6. Financing our operations

This section provides information on the sources of finance utilised by DFSV during its operations, along with other information related to financing activities of DFSV.

This section includes disclosures of balances that are financial instruments. Notes 7.1 and 7.3 provide additional, specific financial instruments disclosures.

### 6.1 Cashflow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank. DFSV's bank accounts are held in the Central Banking System (CBS) as required under the *Standing Directions 2018*.

	2025 \$	2024 \$
<b>Cash and cash equivalents</b>		
Cash on hand	300	300
Cash at bank	7,085,032	7,659,545
<b>Total cash and deposits disclosed in the balance sheet</b>	<b>7,085,332</b>	<b>7,659,845</b>

### 6.2 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet. DFSV did not have commitments at the reporting date.

### 6.3 Leases

Leases are classified as financial instruments. Interest bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

#### Terms and Conditions of leases

	Weighted average interest rate (%)	Carrying amount (\$)	Maturity dates			
			Less than 1 month (\$)	1–3 months (\$)	3 months – 1 yr (\$)	1–5 years (\$)
<b>2025</b>						
Lease liabilities	4.0%	488,997	20,034	40,266	185,863	242,834
<b>Total</b>		<b>488,997</b>	<b>20,034</b>	<b>40,266</b>	<b>185,863</b>	<b>242,834</b>
<b>2024</b>						
Lease liabilities	4.0%	528,884	17,857	35,870	142,920	332,237
<b>Total</b>		<b>528,884</b>	<b>17,857</b>	<b>35,870</b>	<b>142,920</b>	<b>332,237</b>

DFSV operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

## Interest expense

	2025 \$	2024 \$
Interest on lease liabilities	19,816	23,255
<b>Total interest expense</b>	<b>19,816</b>	<b>23,255</b>

Interest expense is recognised in the period in which it is incurred. DFSV recognises leasing costs immediately as an expense.

### 6.3.1 Right-of-use assets

DFSV leases a property, office equipment, and various motor vehicles. The lease contracts are typically made for fixed periods of 1–5 years with the exception of the property lease which has an option to renew for a further 5 years.

- Leases of IT equipment with contract terms of 1–3 years are leases of low-value items. DFSV has elected not to recognise right-of-use assets and lease liabilities for these leases.
- Vehicles and a property lease are recognised on balance sheet: a right-of-use asset, representing DFSV's right to use the leased assets, and an associated lease liability, representing its obligation to pay the contractual payables.

### Right-of-use property leases

DFSV holds one lease for premises at Camberwell is for a five-year term from 1 April 2022 to 31 March 2027, with fixed rate annual rental increases of 3 per cent. The incremental borrowing rate applicable to this lease, used to discount the future lease payments to present value, was determined as 4%.

### Right-of-use vehicle leases

DFSV leases vehicles for use by staff primarily on 3-year contracts. Vehicles vary in exact specifications but represent similar assets over a similar period. The agreements include fixed and variable payments, where the variable payments depend on kilometres driven in excess of a contractual maximum. Only fixed rental payments have been included in the valuation of the lease liability and right-of-use asset recognised per vehicle.

### 6.3.2 Expenses recognised for short-term leases and leases of low-value assets

The following amounts are recognised as expense relating to short-term leases and leases of low-value assets:

	2025 \$	2024 \$
Expense relating to leases of low-value assets	7,424	7,424
<b>Total amount recognised as an expense</b>	<b>7,424</b>	<b>7,424</b>

DFSV has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss included within general administration of 'other operating expenses' (see note 3.2) on a straight-line basis over the lease term.

### 6.3.3 Recognition and measurement of leases as a lessee

For any new contracts entered into, DFSV considers whether a contract is or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition DFSV assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to DFSV and for which the supplier does not have substantive substitution rights
- whether DFSV has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and DFSV has the right to direct the use of the identified asset throughout the period of use
- whether DFSV has the right to make decisions in respect of ‘how and for what purpose’ the asset is used throughout the period of use.

#### Lease liability: initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or DFSV’s incremental borrowing rate.

Lease payments included in the measurement of lease liabilities comprise:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if DFSV is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

#### Lease liability: subsequent measurement

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

DFSV has elected to account for short-term leases (i.e. of 12 months or less) and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### Presentation of right-of-use assets and lease liabilities

DFSV presents right-of-use assets as ‘property plant equipment’ (refer to note 4.1). Lease liabilities are presented as lease liabilities in the balance sheet (refer to note 6.3).

#### Future lease payments (including low value asset leases)

	2025 \$	2024 \$
<b>Future lease payments</b>		
Not longer than 1 year	268,491	221,030
Longer than 1 year but not longer than 5 years	250,407	344,273
<b>Total future lease payments</b>	<b>518,898</b>	<b>565,303</b>
Less future finance charges	(20,620)	(17,601)
<b>Present value of lease payment</b>	<b>498,278</b>	<b>547,702</b>

## 7. Financial instruments, contingencies and valuation judgements

It is often necessary for DFSV to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied.

### 7.1 Financial instruments specific disclosures

#### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of DFSV's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such assets and liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*.

#### Categories of financial assets

##### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if both of the following criteria are met, and the assets are not designated as fair value through net result:

- the assets are held by DFSV to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

DFSV recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

#### Categories of financial liabilities

**Financial liabilities at amortised cost** are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. TV recognises the following liabilities in this category:

- payables (excluding statutory payables)
- lease liabilities.

## 7.1.1 Financial instruments — net gain/(loss) on financial instruments by category

2025	Carrying amount \$	Net gain/ (loss) \$	Total interest income / (expense) \$	Impairment loss \$
<b>Financial assets at amortised cost:</b>				
Cash at bank	7,085,332	-	329,885	-
Receivables <sup>a</sup>	70,541	-	-	-
<b>Total financial assets at amortised cost</b>	<b>7,155,873</b>	<b>-</b>	<b>329,885</b>	<b>-</b>
<b>Financial liabilities at amortised cost:</b>				
Payables <sup>a</sup>	154,586	-	-	-
Lease liabilities	488,997	-	(19,816)	-
<b>Total financial liabilities at amortised cost</b>	<b>643,583</b>	<b>-</b>	<b>(19,816)</b>	<b>-</b>

Note:

a. The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

2024	Carrying amount \$	Net gain/ (loss) \$	Total interest income / (expense) \$	Impairment loss \$
<b>Financial assets at amortised cost:</b>				
Cash at bank	7,659,845	-	338,896	-
Receivables <sup>a</sup>	68,226	-	-	-
<b>Total financial assets at amortised cost</b>	<b>7,728,071</b>	<b>-</b>	<b>338,896</b>	<b>-</b>
<b>Financial liabilities at amortised cost:</b>				
Payables <sup>a</sup>	167,249	-	-	-
Lease liabilities	528,884	-	(23,255)	-
<b>Total financial liabilities at amortised cost</b>	<b>696,133</b>	<b>-</b>	<b>(23,255)</b>	<b>-</b>

Note:

a. The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

## 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed and, if quantifiable, are measured at their nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

DFSV currently has a Bank Guarantee facility with Commonwealth Bank of Australia for \$77,400 (2024: \$77,400) relating to the leased premises which expires 31 March 2027. Guarantees issued on behalf of DFSV are financial instruments because, although authorised under statutes terms and conditions for each financial guarantee, may vary and are subject to an agreement.

There are no legal or any other claims that creates a contingency for DFSV at the end of this reporting period (2024:Nil).

## 7.3 Fair value determination

This section sets out information on how DFSV determines fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Property, plant and equipment are carried at fair value.

### Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

DFSV determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

DFSV monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

### 7.3.1 Fair value determination: Non-financial physical assets and liabilities

#### Valuation techniques and significant assumptions of non-financial physical assets measured at fair value

*AASB 2022-10 Amendments to Australian Accounting Standards — Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities amended AASB 13 Fair Value Measurement by adding Appendix F Australian implementation guidance for not-for-profit public sector entities.* Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

DFSV considers that the carrying amount of financial instrument recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

For all assets measured at fair value, DFSV considers the current use is the highest and best use.

**Plant and equipment** is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

**Vehicles (right-of-use assets)** are valued using the current replacement cost method. DFSV acquires new vehicles and disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by an external fleet management provider which determines relevant depreciation rates during use to reflect the utilisation of the vehicles.

**Building (right-of-use asset)** are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued.

Description of significant assumptions applied to fair value measurement:

2024 and 2025	Valuation technique	Significant assumptions	Range (weighed average)
Right-of-use building lease	Current replacement cost	Useful life of leasehold premises	5 years
Right-of-use vehicles leased	Current replacement cost	Useful life of leased vehicles	3 years
Leasehold improvements	Current replacement cost	Useful life of leasehold improvements	5 years
Office equipment and furniture	Current replacement cost	Cost per unit Useful life of items	\$650 – \$51,070 (\$25,109) 3–10 years

## 8. Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this report.

### 8.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

There were no ex gratia expenses incurred during the financial year ended 30 June 2025 (2024:nil).

### 8.2 Other economic flows included in the net result

Other economic flows are changes in the value of an asset or liability that do not result from transactions.

Net gains/(losses) on non-financial assets include the net value of impairment losses, and any gains or losses on disposal at the date of disposal, determined after deducting any proceeds from the carrying value of the asset.

Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

### 8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

#### Names

The persons who held the positions of Ministers and Accountable Officers in DFSV are as follows:

Minister for Agriculture	The Hon. Ros Spence	1 July 2024 to 30 June 2025
Chief Executive Officer	Corrie Goodwin	1 July 2024 to 14 March 2025
Acting Chief Executive Officer	Andrew Chen	15 March 2025 to 30 June 2025

#### Remuneration

Remuneration received or receivable by the Accountable Officers in connection with the management of DFSV during the reporting period was in the range: \$430,000 – \$439,000 (2024: \$290,000 – \$299,000).

The individuals who held the positions of Responsible Officers, other than the Minister and the Accountable Officer in DFSV are as follows:

#### Governing Board

Anne Astin (Chairperson)	1 July 2024 – 11 April 2025
Joanna Wriedt	1 July 2024 – 11 October 2024
Luke Wilson (Chairperson)	12 April 2025 – 30 June 2025
Michele Allan	1 July 2024 – 10 March 2025
Nicholas Renyard	1 July 2024 – 11 October 2024
Peta Slack-Smith	1 July 2024 – 10 March 2025
Polly Bennett	12 October 2024 – 30 June 2025
Scott Crerar	12 October 2024 – 30 June 2025
Tania Luckin	1 July 2024 – 30 June 2025
Tracey Marsden	1 July 2024 – 30 June 2025

## Notes to financial statements (cont.)

Remuneration received or receivable by the governing board and the accountable officers in connection with the management of DFSV during the year was in the following ranges:

	2025 No.	2024 No.
<b>Income band</b>		
\$1,000 – \$9,999	2	-
\$10,000 – \$19,999	6	5
\$30,000 – \$39,999	1	-
\$40,000 – \$49,999	-	1
\$80,000 – \$89,999	1	-
\$290,000 – \$299,999	-	1
\$340,000 – \$349,999	1	-
<b>Total numbers</b>	<b>11</b>	<b>7</b>
<b>Total remuneration</b>	<b>\$556,431</b>	<b>\$419,736</b>

The above table excludes Board member Tracey Marsden who is remunerated by the Department of Energy, Environment and Climate Action.

### 8.4 Remuneration of executives

The number of senior executive service members, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

	2025	2024
<b>Remuneration of executives</b> (including key management personnel disclosed in Note 8.5)		
Total remuneration <sup>a</sup>	\$366,342	\$89,249
Total number of executives	2	1
<b>Total annualised employee equivalents<sup>b</sup></b>	<b>1.5</b>	<b>0.3</b>

Notes:

a. The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124

Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).

b. Annualised employee equivalent is based on the time fraction worked over the reporting period.

### 8.5 Related parties

Related parties of DFSV include all key management personnel and their close family members and personal business interests, the Department of Energy, Environment and Climate Action (DEECA) and Treasury Corporation Victoria (TCV).

Key management personnel of DFSV includes the Portfolio Ministers, board members, the accountable officer (ref Note 8.3 Responsible persons), and members of the executive team as follows:

- General Manager, Compliance, Operations — Andrew Chen (1 August 2024 – 14 March 2025).
- General Manager, Operational policy and Innovation — Allison McNamara (12 August 2024 – 30 June 2025).

Board members are reimbursed for expenses incurred in attending board and committee meetings, and for other incidental costs on terms and conditions no more favourable than those with which it is reasonable to expect DFSV would have adopted if dealing with the Board members and executives at arm's length in similar circumstances.

Board member Tracey Marsden is employed by the DEECA as Director, Office of the Deputy Secretary Corporate Services. Tracey Marsden is not remunerated by DFSV but the dollar value of attending DFSV board meetings would be equivalent to the standard remuneration amount that a Board member receives set by the Department of Premier and Cabinet.

#### Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the States Annual Financial Report.

Key management personnel includes executive officers, board members and the accountable officer (other than ministers). The total remuneration during the reporting period is shown in the following table.

	2025 \$	2024 \$
<b>Total compensation of key management personnel</b>		
<b>Total</b>	<b>922,773</b>	<b>508,985</b>

*Note that KMPs are also reported in the disclosure of responsible persons and remuneration (Notes 8.3 and 8.4).*

#### Transactions with key management personnel

Outside of normal citizen type transactions with DFSV, there were no related party transactions that involved key management personnel, their close family members and their personal business interests, other than that listed below. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

#### 8.6 Remuneration of auditors

	2025 \$	2024 \$
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	30,100	29,000
<b>Total remuneration of auditors</b>	<b>30,100</b>	<b>29,000</b>

#### 8.7 Subsequent events

The policy in connection with recognising subsequent events, that are, for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date and/or
- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

There were no material events subsequent to balance date that have significantly affected the operation, results or the state of affairs of DFSV.

# Appendix 1: Disclosure index



**The annual report of Dairy Food Safety Victoria is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.**

Legislation	Requirement	Page reference
<b>Ministerial Directions &amp; Financial Reporting Directions</b>		
<b>Report of operations</b>		
<i>Charter and purpose</i>		
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FRD 22	Purpose, functions, powers and duties .....	3
FRD 8	Objectives, indicators and outputs .....	5,9–25
FRD 22	Key initiatives and projects .....	9–25
FRD 22	Nature and range of services provided .....	9–25
<i>Management and structure</i>		
FRD 22	Organisational structure .....	31
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FRD 10	Disclosure index .....	71–72
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FRD 22	Application and operation of the <i>Public Interest Disclosure Act 2012</i> .....	37
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### *Other requirements under Standing Directions 5.2*

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FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report .....	67
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