



**‘Investing for a Vibrant Dairy Future’**

# Strategic Plan 2018-2021

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## Background

The Gardiner Dairy Foundation (Gardiner) was established via legislation under Section 65 of the Dairy Act 2000, in partnership with Victorian farmer, processor and manufacturer groups and the Victorian Government, to increase the international competitiveness of the Victorian dairy industry.

Gardiner was created with \$62m in funding from the sale of assets, including milk brands, as part of deregulation of the dairy industry. Prudent management of the funds is an ongoing priority with the income produced supporting Gardiner's annual investment in key industry projects. The fund now has \$120m including bequests under management and has invested \$68m to 2018 in projects for the benefit of the industry.

## Our Purpose;

**Maximise benefits to all sectors of the Victorian dairy industry and dairy communities.**

## Our Objective;

To support the dairy industry vision of 'Prosperous, trusted, world renowned nutrition', we fund and promote RD&E, people and community development, and industry support activities that will benefit all sectors of the Victorian Dairy Industry and Victorian Dairy Communities.

## How we work;

1. **Prudent stewardship** - funds are managed to best practice standards with a risk managed, long-term investment strategy.
2. **Outcome driven** - project investments align with our Purpose and Strategic Plan, are chosen using robust selection processes to deliver high impact.
3. **Collaborate** - we work cooperatively with industry organisations, government and stakeholders, co-investing to optimise the impact of investments.
4. **Agility** - we are alert and respond quickly to dairy industry and dairy community support needs.
5. **Industry Engagement** - we respect the contributions of our stakeholders and value processes and behaviours that provide a sound basis for trust, transparency and the delivery of value consistent with our Purpose.
6. **Strategic Thought Leadership** - we facilitate strategic discussions in the dairy industry and its communities to share new knowledge, encourage new ways of thinking and to promote innovation.

*\* While Gardiner Foundation's constitutional remit focus is for the Victorian industry, many projects, particularly in RD&E, have outputs that have wider application.*

## Our Investment Programs;

To deliver on our Purpose and Objective, Gardiner invests in three key programs.

### 1. Research, Development & Extension

The development and application of innovations to improve the profitability, sustainability and growth of Victoria's dairy industry, with a focus upon a small number of large investments in strategically important priorities.

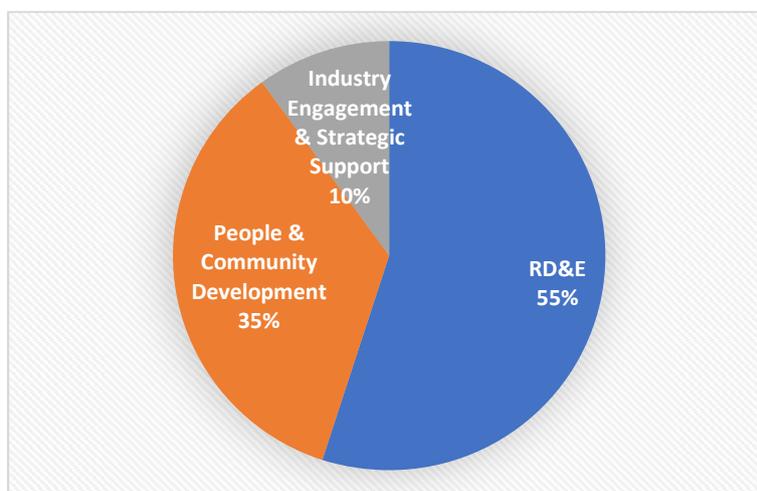
### 2. People and Community Development

Building the capacity and capability of the Victorian dairy industry's people resources, with a focus on leadership and priority skill development, and the strengthening of dairy communities.

### 3. Industry Engagement and Strategic Support

Wide industry engagement, together with the provision of strategic thought leadership and tactical projects to respond to emerging industry needs and opportunities.

Our strategic direction is reflected in our target investment allocation across our programs



Actual year-to-year allocations may vary according to program and strategic opportunities.

## Australian Dairy Industry Vision (ADIC 2014)

**'Australian dairy: Prosperous, Trusted, World Renown Nutrition'.**

### Opportunities and challenges for the industry

- Global dairy demand growth is moderating although demand in emerging economies is strong, including SE Asia.
- Incremental milk production growth, with lingering risk aversion and financial limitations, will restrict Australia's ability to capture demand opportunities.
- No improvement in industry Home Grown Feed production and utilisation
- Pressure on dairy's 'social licence to operate' will increase.
- 'Differentiation' strategies to meet international customer demands (such as for provenance)
- Dairy Australia's RD&E budget impacted by recent declines in industry milk production.
- Energy supply and prices of growing concern and uncertainty to farmers
- Opportunities arising from the 'data economy', robotics, new breeding technologies
- Changing climates and climate variability
- Increasing complexity of farming and farm business management
- Low trust and confidence in the industry, together with falling engagement in dairy representation and advocacy roles
- Small pool of industry leaders

### Gardiner's 2018 – 2021 Strategic Response

**To achieve its Purpose, Gardiner will prioritise its Investment Programs in the following areas;**

#### Research, Development and Extension

- Major collaborative partnership to discover and apply new genetic technologies that generate step-changes in productivity from new pasture and forage plants and improved herd genetics.
- Major collaborative partnership to develop and deliver feedbase management tools that improve productivity, profitability and animal nutrition.

#### People and Community Development

- Attracting and building capability in key industry technical fields and enterprise management.
- Increasing the number, support for and capability of dairy industry leaders at all levels.
- Grants that support Victorian dairy communities.

#### Industry Engagement and Strategic Support

- Stakeholder engagement to identify contemporary industry and community needs.
- Support wide industry discussions to advance key issues that benefit the industry
- Agile response to emerging industry issues or opportunities

**To increase our Company effectiveness, we will place emphasis upon;**

- Best practice in fund management and project investment processes.
- High internal efficiency
- Evaluation of the impact of our investments