

GARDINER 
FOUNDATION

Investing for a Vibrant Dairy Future

Annual Report 2015



Geoffrey Gardiner Dairy Foundation Limited

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ABN 18 094 733 418

His Excellency the Honourable Alex Chernov AC QC

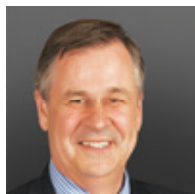
Governor of Victoria

Patron of the Gardiner Dairy Foundation



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Chairman's Review

I wish to express the Gardiner Dairy Foundation's appreciation to our Patron, His Excellency the Hon. Alex Chernov AC QC, Governor of Victoria, whose term expired at the end of June. He has shown incredible generosity and support for regional Victoria, and the Gardiner Dairy Foundation in particular.

I would like to welcome The Hon. Jaala Pulford MP to her role as Minister for Agriculture and Minister for Regional Development. We look forward to continuing our strong relationship with the Minister, the Victorian Government, and the Department of Economic Development, Jobs, Transport and Resources (DEDJTR).

The Gardiner Dairy Foundation Limited was formed in 2000 following deregulation of the dairy industry. The Board's principal pursuit is to take an active role in investing in research, development and extension (RD&E), supporting industry initiatives, and managing the investment of funds to maximise the benefits to all sectors of the Victorian dairy industry and Victorian dairy communities.

Gardiner Dairy Foundation's five principal responsibilities as defined by the Constitution are:

- prudent management of the Gardiner Dairy Foundation corpus – the Foundation completed a second triennial review of fund performance in late 2014
- funding of RD&E that improves industry productivity and profitability pre- and post-farm gate
- people development – through a range of investments aimed at filling gaps in the industry's human resource capability as well as support and development of dairy industry leaders in Victoria
- community development – through local support programs for dairy communities
- industry support – by funding activities that have the potential to enable change and industry improvement.

Gardiner Dairy Foundation places a high priority on bringing key thought leaders into the environment of the Victorian and National Dairy Industry to assist in facilitating long-term strategic industry decisions. In the course of this year, Dutch Professor Aalt Dijkhuizen, a leading authority on agriculture and food, challenged our approaches to global food supply issues. Professor Alan Olmstead from the United States, and Professor Tim Carpenter of New Zealand, brought to the fore the management of highly infectious livestock diseases and issues relating to our preparedness to manage disease outbreaks.

The Gardiner Dairy Foundation maintains strong relationships with all of its stakeholders and we particularly acknowledge the partnership with the United Dairy Farmers of Victoria, the Australian Dairy Producers Federation, the Australian Dairy Industry Council, Dairy Australia and the Victorian Departments managing agriculture. We work with these bodies in developing our plans. In 2014 this led to the development of the Gardiner Dairy Foundation Strategic Direction for 2015-17.

At the 2014 Annual General Meeting (AGM) two new directors joined the Gardiner Dairy Foundation Board: Professor Bruce Kefford and Mrs Roma Britnell.

Professor Kefford is an experienced strategic leader with an in-depth knowledge of the food and agriculture sectors and a thorough understanding of the dairy industry and its drivers through the value chain. He is nationally and internationally recognised as a key thought leader and driver in reshaping the primary industries innovation system. Mrs Britnell has an extensive background in dairy farming and rural leadership. She is currently Vice President of the United Dairy Farmers of Victoria, a Nuffield Scholar and a Director of the Board of the Glenelg Catchment Management Authority. In 2009 she was Australian and Victorian Rural Woman of the Year.

At the 2015 AGM Professor Robert Clark will complete his second term as an independent director since joining the Board in 2009, and I will step down as Chairman of the Foundation after five years in the role. I wish to sincerely thank Professor Clark who has brought valuable insight into the transfer of science and technology to real outcomes at farm, factory, consumer and community level. I also wish to thank Directors Barry Irvin and Michael Carroll for their exceptional and ongoing commitment to the Foundation.

The Board has prepared and adopted the governance document "Investing for a Vibrant Dairy Future". Strong corporate governance adds to the performance of the Foundation and creates Member and stakeholder value.

I would like to pay tribute to Chief Executive Mary Harney for her extraordinary leadership and management of the Gardiner Dairy Foundation. I also wish to extend my thanks to the staff, both past and present, whose work has led to the success and cohesion of the organisation.

Finally, it has been a privilege to serve the Gardiner Dairy Foundation and the Victorian dairy industry.

MICHAEL TAYLOR AO
Chairman





Chief Executive's Report

In 2014/15 farmer's confidence in the future of the dairy industry remained positive in line with last year's sentiment. Australia's milk production forecast grew by 2.5 per cent and many farmers took advantage of stable production margins and favourable weather conditions.

The Gardiner Dairy Foundation has begun delivering on its Strategic Direction for 2015-17. The refreshed strategy, developed last year, in consultation with the Members and stakeholders, such as Dairy Australia and DEDJTR, aligns with the priorities of industry articulated in the national RD&E framework, 'Dairy Moving Forward'. It also seeks to maximise investment outcomes by providing larger quantum of investment to fewer, but larger well-targeted projects. Generally we will co-invest with other funding bodies to maximise the critical mass of investment.

Gardiner continues to invest across the dairy value chain, in five key areas as outlined in its constitution: industry support activities, pre-farm gate innovation, post-farm gate innovation, people development and community development.

The Monash Industry Team Initiative, known as MITI, is a significant component of the new strategic investment in RD&E by the Gardiner Dairy Foundation in the post-farm gate arena. It is designed to expose high achieving students to exciting employment opportunities in dairy, while giving industry the benefit of a team of bright young minds to work on a relevant dairy industry project for three months. Multidisciplinary student teams from Monash University were paired with five leading industry partners to collaboratively design solutions to real-world challenges in dairy processing on a commercial in-confidence basis. The engineering, education and information technology students worked on high priority challenges in factories across Victoria.

Gardiner's second large investment in RD&E, which flows from its new strategic direction, is one of two Challenge Rounds in the pre-farm gate sector. The first Challenge Round addresses animal performance and aims to improve rates of genetic gain by demonstrating the value of genetics and herd improvement. Genetic improvement is a major driver of productivity and profit in Australian dairy. The current loss, through unrealised potential genetic gain, is estimated to cost the industry between \$23m – \$40m *per annum*.

The first Challenge Round was awarded in December to a grouping of five organisations led by Associate Professor Ben Hayes, a Senior Scientist with the DEDJTR. The Gardiner Dairy Foundation is providing \$1.5m of matched funding over three years (total \$3.3m).

Our investment in people and community development has also evolved under the new strategy. Developing people in the dairy industry at many levels through to the highest level of executive leadership will build a lasting legacy for the future. The Farm Business Management Program, to be run in partnership with the Victorian RDP's (WestVic Dairy, Murray Dairy and GippsDairy) over the next three years, will be our largest investment and a valuable addition to Gardiner's ongoing programs in people development. Interviews were conducted in April to select and support ten people to undertake the Rabobank Executive Development Program, The University of Queensland Business School, Owner Management Program™ or the Australian Rural Leadership Program.

This has been the year of Asia, as Free Trade Agreements were signed between Australia and Japan, Korea and then China heralding the promise of new trade opportunities for Australian dairy. A global focus is key to Australia's success in dairy, and in September 2014 Gardiner participated in the Victorian Government's Food and Beverage Super Trade Mission to China. I was delighted to lead a delegation which included dairy farmer and UDV President Adam Jenkins, and ADF Policy Group member, UDV Vice President Roma Britnell and young dairy farmer and Agricultural science student Will Ryan. We gained valuable insights into consumers in this growing export market, along with information about quarantine and non-tariff barriers to entry and the growth of the Chinese dairy industry.

The Gardiner Dairy Foundation was pleased to continue its tradition of promoting thought leadership on innovation and delivering information about best practice in agriculture to Australian farmers, politicians and decision-makers. Gardiner funded and supported an Australian tour of internationally renowned agriculture and food authority Dr Aalt Dijkhuizen, President of the Dutch Topsector Agri&Food – a collaboration and innovation network between government, private industry and universities/research institutes in the Netherlands. Dr Dijkhuizen presented at: the University of Melbourne (the Dean's Lecture), the National Press Club in Canberra, Rabobank in Sydney, and the Gardiner Dairy Leader's Luncheon hosted by the Minister for Agriculture the Hon. Jaala Pulford.

Finally, I would like to acknowledge the pivotal role Chairman Mike Taylor has played in the evolution of the Gardiner Dairy Foundation since its inception in 2000. The high calibre of his leadership as Chairman has made ours a highly productive working relationship and was essential in bringing the new *Strategic Direction 2015-17* to fruition.

MARY HARNEY
Chief Executive



Message from the Minister for Agriculture and Regional Development

The dairy industry is the jewel of Victoria's agricultural crown and a key contributor to our economic growth and prosperity.

The Victorian Government has a long and proud history of collaboration with the Gardiner Foundation and as the new Minister for Agriculture, I look forward to working with the Foundation and strengthening our ties even further.

Since its incorporation in October 2000, the Foundation has worked closely with the Victorian Government in undertaking vital dairy research and development – creating new science, technology, processes and services.

The Foundation's approach to working with the whole supply chain and its strong links to industry and government ensures that the research it invests in is adopted and delivers demonstrable outcomes at the farm, regional factory, consumer or community level.

Australian milk production has grown this year by 2.5 per cent and dairy farmer confidence has remained up, in line with last year. In this climate, it was a great pleasure for me to welcome 150 Dairy industry leaders to the Gardiner Dairy Leaders Luncheon in February and to hear from a world leading authority on agriculture and food, Dr Aalt Dijkhuizen.

The Foundation's new Strategic Direction 2015-17 presents an enormous opportunity for growth and development. Initiatives include the Challenge Rounds in the pre-farm gate sector, the Monash Industry Training initiative in the dairy manufacturing space, and Gardiner's investment in

people and leadership training across the spectrum from the community to the highest level of executive development.

The strong working relationship between the Victorian Government and the Foundation was highlighted by the announcement of Gardiner's first Challenge Round on animal performance. The Government's Associate Professor Ben Hayes will lead a world class team of researchers in a project designed to improve profitability and rates of genetic gain in the Australian dairy herd by demonstrating the value of genetics and herd improvement.

Two recent strategic investments by Gardiner in collaboration with the Government have delivered outcomes this year which will also improve on-farm profitability, while the launch of the new Australian Breeding Value, 'Feed Saved', will help farmers produce cows which convert feed into milk more efficiently.

The development of a free online tool, the Dairy Nitrogen Fertiliser Advisor, will improve decision making around the application of nitrogen and make dairy farming more profitable and productive. Gardiner and the Victorian Government have also partnered in supporting the Australian Dairy Leadership Alumni.

I look forward to continued collaboration with the Foundation as we work together to further strengthen and grow our highly valued dairy industry.

HON. JAALA PULFORD MP
Minister for Agriculture



Mike Taylor AO, Hon. Jaala Pulford MP and Mary Harney

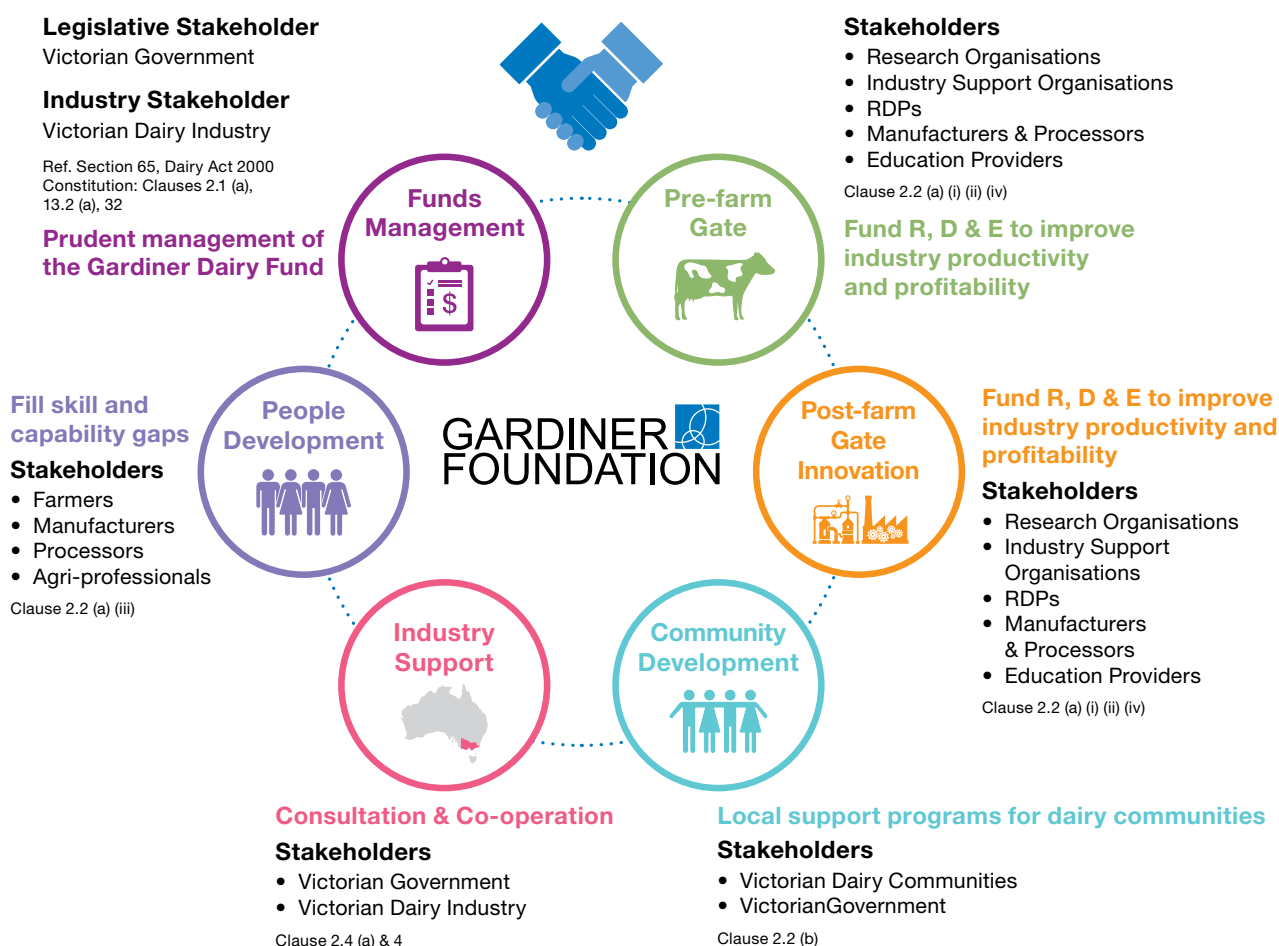
Strategic Direction

The Gardiner Dairy Foundation works co-operatively across the supply chain within the advocacy and support network of the dairy industry, providing an independent source of funds and flexibility of investment selection that other participants may not have. In 2014 we refocused our strategy and formulated this in the *Strategic Direction 2015-2017* document. Our investments are consistent with Industry strategy and we co-invest where practical to maximise the quantum and impact of investments. We focus on initiatives that impact the key industry objectives of profitability, growth and sustainability.

The Gardiner Dairy Foundation Vision is to continue to invest in emerging leaders and practices to help develop a long-term future for the dairy industry.

Under our constitution the Gardiner Dairy Foundation addresses the needs of a range of stakeholders through industry improvement projects. The key strategic elements are Funds Management, Pre and Post Farm Gate RD&E, People and Community Development and Industry Support. The key elements, the constitutional Charter and the key stakeholders in the strategy are illustrated diagrammatically below.

The Role of the Gardiner Dairy Foundation



Using the returns from the Gardiner Dairy Foundation Fund Management, we invest in 5 areas. The pre and post-farm gate RD&E sectors account for 60% of our annual investment. The investments in the pre-farm gate sector are aligned with the national RD&E strategy "Dairy Moving Forward." In the post-farm gate Sector,

the investments are in engineering and IT support for the processing and manufacturing sector. The Foundation's approach is to invest a 'meaningful' amount into a small number of well-targeted projects with a focus on outcomes for end users. The Foundation has the ability to be agile and flexible in its response to emerging priorities.

Key Highlights 2014/15

Challenge Round in Herd Improvement

The Challenge Round, the key strategic investment in the pre-farmgate sector, is a new concept for Gardiner. It is based on the successful approach adopted for projects like mapping the human genome, or the global health research supported by the Bill and Belinda Gates Foundation. In line with the national RD&E framework 'Dairy Moving Forward', the first Challenge Round was launched in late 2014 in the area of Animal Performance. The Challenge Round concept seeks to encourage longer term, industry-wide, collaborative applications with co investment, thereby ensuring both alignment with the national RD&E Strategy and maximum leveraging of resources for the dairy industry.

Genetic improvement is a major driver of profit and productivity in the Australian Dairy industry. In December 2014, Gardiner announced that Associate Professor Ben Hayes, Project Leader and Principal Scientist at the Department of Economic Development, Jobs, Transport and Resources (DEDJTR), was successful in the first Challenge Round which will focus on animal performance and seeks to improve rates of genetic gain by demonstrating the value of genetics and herd improvement. It is anticipated that the project will generate a sense of excitement and respect for genetic improvement. The business case estimates that the project could add an extra \$66m to industry profitability over 20 years.

Associate Professor Hayes has assembled a world-class team with extensive publication records and extensive track records in delivering large projects, extension and software development. Organisations to take part include Dairy Australia, Australian Dairy Herd Improvement Scheme, National Herd Improvement Association and Holstein Australia. Importantly, two international groups the French National Institute for Agricultural Research (INRA) and the Scottish Rural College (SRC) are also key collaborators in this new consortium. The research program of \$3.3m will be launched by the Minister for Agriculture and Regional Development in October 2015.

GARDINER
FOUNDATION



Economic Development,
Jobs, Transport
and Resources



Australian Dairy Leaders Luncheon

This significant annual event was hosted by the Minister for Agriculture and Regional Development, The Hon. Jaala Pulford. The Luncheon brings together 150 leaders from across the value chain. Dutch agricultural thinker and leader, Dr Aalt Dijkhuizen told the audience that governments, private industry, universities and research institutes need to work closely together to drive Australian agricultural and horticultural industries. He saw feeding the world – both the quality and quantity of food required – as a major challenge in decades to come. Australia is well placed because of its long-term experience with Asian people, particularly students. Australia's food safety is also an advantage as food security is becoming increasingly important in China and Asia.

The Netherlands has a 'top sector' policy which identifies the most important sectors and gives them focused attention, thereby accelerating their growth. His small country with a population of 17 million people has become the world's second largest exporter of food (worth \$77b and growing). He strongly recommended that Australia take the 'Golden Triangle' approach of government, the private sector and education working closely together in alignment. He also recommended that Australia develop strong consumer-driven production chains.



Mary Harney, Luke Wilson, Aalt Dijkhuizen and Mike Taylor AO



The Monash Industry Team Initiative (MITI)

The MITI Program, the Gardiner Dairy Foundations component of the refreshed post-farm gate strategic investment, embeds small teams of interdisciplinary students within a dairy company to solve a specific company challenge over a 3 month period. In 2015, for the first time, seven teams of students with a focus on engineering, education and information technology had first-hand exposure to the sophistication of dairy processing and the food manufacturing space. The high achieving, pre-screened, students brought fresh eyes and imagination to the problems, giving the manufacturers access to a resource they wouldn't otherwise encounter. The project also gave the companies exposure to different skill sets, which they may require in future, while allowing them to connect with potential new employees. The concept is one of exposure; of the dairy industry to the faculty and students as a sophisticated manufacturing sector and in reverse exposing future talent to the manufacturing sector. MITI's first year in dairy was highly successful for both the companies and students, bringing tangible benefits to all parties involved, as Grant Crothers, CEO of Burra Foods, said "We would join again in a heartbeat."

Cows Create Careers 10 Year Anniversary Celebration

Gardiner Dairy Foundation was delighted to support the 10 Year Anniversary Celebration of Cows Create Careers. The Cows Create Careers Farm module is an innovative Dairy Australia and Regional Development program. It introduces students to the Australian dairy industry and helps promote the many career opportunities on offer. It began as a pilot program funded by the Strzelecki Lions Club in Gippsland, Victoria in 2004. The following year Gardiner Dairy Foundation provided further funding to enable the expansion of the program.

- In 2014, 9,456 students from 211 schools participated in the program.
- 426 dairy farmers and industry advocates volunteered their time to take part.
- The project has a school retention rate of approximately 85%, with that number of schools continuing to be involved the following year.
- Since its inception, 51,906 students have participated in the Cows Create Careers Farm module.
- Cows Create Careers has grown from nine Gippsland schools in 2004 to over 211 schools across 23 dairy regions in 2014.



Cementing Dairy's Role in the ANZAC Centenary

The Gardiner Dairy Foundation invited Victorian dairy communities to delve into their family histories and provide stories and photos to honor the role that dairy farming families played in WWI. These dairy community stories will feature in a travelling rural exhibition commemorating the ANZAC Centenary, curated by The Shrine of Remembrance entitled *Australia Will Be There: Victorians in the First World War (1914-1919)*.

The exhibition will tour Victoria over the next four years beginning in Bairnsdale – highlighting the experiences of Victorians who contributed to the war effort, whether on the frontline or from the land. The Gardiner Dairy Foundation is supporting the exhibition, and Chief Executive, Mary Harney, is encouraging regional Victorians involved in the dairy industry 'to cement their place in history by sharing their personal reflections of how their family or community was involved in supporting the ANZACs'.

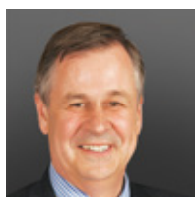
Herbert Edward Drake from Mirboo North, South Gippsland, joined the 4th Light Horse 11th Reinforcement in 1915 and was posted to Palestine and the Sinai Peninsula. Bert pictured below, took up a soldier settlement of 68 acres at Lardner, near Warragul where he farmed cows, potatoes and onions. In 1924 he married Lucy and had three children. They moved to a second soldier settlement in 1929, at Allambie South, walking the cows all the way. Here they milked Jersey cows twice daily, ran pigs and grew fruit trees. Bert threw himself into community life – was Shire President three times and on the Council for 33 years.

James Henry White, pictured on page 21, was a skilled stockman when he enlisted in the 13th Light Horse in 1914, aged 17. He fought in Gallipoli defending trenches in the Battle of Lone Pine. He later saw action in France on the Western Front. After four years of service he returned to Neerim South and bought a 27ha dairy farm. The cream cans were dragged uphill for two kilometres on a horse-drawn sled to the local butter factory for processing.



Bert Drake (right) and his brother Ernest on his Gippsland dairy farm

The Board



Michael Taylor AO

B.Agr.Sci, Dip.Ag.Econ.
FIPAA, FTSE
CHAIRMAN

Mike Taylor was first appointed Chairman of the Gardiner Dairy

Foundation in November 2010. He brings broad experience in management, marketing, economic policy and planning to the role. He has a deep commitment to the dairy industry and is widely respected for his leadership of the Australian Dairy Industry Council in the early 90s, continuing through a long and distinguished career in the Victorian State and Commonwealth public service, particularly in his roles as Secretary to the Victorian State, and later Federal, Departments of Agriculture.

Special Responsibilities:

Member: Finance, Investment and Audit Committee

Member: Community and People Development Committee

Member: HR and Governance and Communications Committee



Roma Britnell

Roma Britnell joined the Board in 2014. She has an extensive background in dairy farming and rural leadership. She is currently Vice President of the United Dairy Farmers of Victoria, a Nuffield Scholar, and was Australian

and Victorian Rural Woman of the Year in 2009. She is also Chairman of the Markets, Trade and Value Chain Policy Advisory Group for the Australian Dairy Farmers, a Director of the Board of the Glenelg Catchment Management Authority and Business Manager of Briland Farms. Mrs Britnell is a graduate of the Australian Institute of Company Directors and has an Advanced Diploma of Agriculture.

Special Responsibilities:

Member: Finance, Investment and Audit Committee



Michael Carroll

B.Agr.Sc, MBA, FAICD

Mike Carroll joined the Gardiner Dairy Foundation Board in November 2010 and chairs the Finance, Investment and Audit Committee. He brings to the

Board broad experience from executive and non-executive roles in food and agribusiness. Current board roles include Sunny Queen, Select Harvests, Tassal, Rural Funds Management and Paraway Pastoral Company. Previous board roles include Queensland Sugar, Warrnambool Cheese and Butter, the Australian Farm Institute and Meat and Livestock Corporation. During his executive career he established and led the NAB's agribusiness division with earlier senior executive roles including marketing, investment banking and corporate advisory services. He also has experience in agricultural research and product development. His family has been involved in agriculture for over 130 years and he has a strong personal commitment to Australian agriculture.

Special Responsibilities:

Chairman: Finance, Investment and Audit Committee



Robert Clark AM

B.Agr.Sci (Hons), PhD, FAIST

Rob Clark has been an independent director since 2009 and brings to the Gardiner Dairy Foundation Board insight into the transfer of science and technology to real outcomes at farm,

factory, consumer and community level. He is recognised for his leadership in establishing the Tasmanian Institute of Agricultural Research (TIAR) and his director roles in Rural Research Corporations and the Federal Minister for Agriculture's National R&D Council. He is Deputy Chair of Horticulture Innovation Australia Limited.

Special Responsibilities:

Member: Innovation Committee



Barry Irvin AM

Barry Irvin joined the Gardiner Board in November 2010. As Executive Chairman of Bega Cheese and a director of other prominent dairy industry organisations, he brings broad dairy industry knowledge to his role on the Gardiner Dairy Foundation Board, including expertise in financial and investment management. Barry has first-hand experience of the philanthropic sector, chairing the Board of Giant Steps Sydney, which caters for children and young adults with autism.

Special Responsibilities:

Chairman: Community and People Development Committee

Chairman: HR and Governance and Communications Committee

Member: Finance, Investment and Audit Committee



Bruce Kefford

PSM, B. Sc (Hons), PhD,
MAICD, MAGSM, FIPAA

Bruce Kefford joined the Gardiner Dairy Foundation Board in November 2014.

An experienced strategic leader with and in-depth knowledge of the food and agriculture sectors and the dairy industry in particular, he is passionate about the application of innovation and science to improve industry competitiveness and sustainability. He is recognised nationally and internationally as a thought leader in the reshaping of the national primary industries innovation system. Until July 2013, Bruce was Deputy Secretary with the Department of Environment and Primary Industries, fulfilling senior advisory roles to industry, state and national governments. Bruce also has a deep understanding of the investment, evaluation and delivery of research, development and extension, extensive relevant board experience as well as a track record of brokering significant partnerships and joint ventures.

Special Responsibilities:

Member: Innovation Committee

Member: HR and Governance and Communications Committee

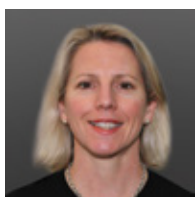


The Team



Mary Harney
BSc, BA, MAICD
CHIEF EXECUTIVE

Prior to commencing her role as Chief Executive of the Gardiner Dairy Foundation in September 2012, Mary had 35 years post graduate experience across a broad range of executive management areas in the health and agricultural sectors. She has held executive research management roles in a variety of listed and unlisted pharmaceutical, biotechnology companies (human and animal health) and spent 17 years in diagnostic and research roles in the public health sector.



Rikki Andrews
BSc, G.Cert. Env.Mgt,
MSocSc (Philanthropy
& Social Investment)
**PROGRAM MANAGER,
COMMUNITY AND PEOPLE
DEVELOPMENT** (part-time)

Rikki was appointed as Program Manager, Community and People Development, in August 2013. Rikki has an extensive background in the philanthropic sector having worked for a number of foundations and trustee companies. Most recently she has undertaken roles in Masters-level lecturing in philanthropy and conducting professional development workshops for both community organisations and philanthropists. Rikki's background enables her to bring investment into dairying communities to a wider audience.



Aaron Gosling
B.Sci (Hons), PhD
**PROGRAM MANAGER
INNOVATION**

Aaron was appointed as Program Manager Innovation in May 2011. He has a strong background in biochemistry research, focusing on milk processing, authoring articles on enzymatic lactose conversion that have been widely cited in scientific literature. His practical approach is helping guide projects to deliver a real world outcome for the Victorian dairy industry.



Jainesh Lal
CPA, B.Com (Acctg & Finance)
**FINANCE MANAGER &
COMPANY SECRETARY**

Jainesh was appointed to the role of Finance Manager in May 2014 and took over as the Company Secretary following the 2014 AGM. Jainesh possesses over 14 years of experience in various Finance and Accounting roles held over a myriad of industries, of which the previous eight years have been in the not-for-profit sector. Jainesh's notable roles include Program Finance Manager at the United Nations Development Program based in Fiji, and most recently as the Finance Manager at the Nossal Institute for Global Health, a subsidiary company of the University of Melbourne.



Caitlin Scholfield
B. Bus (Ag)
BUSINESS MANAGER

Caitlin was appointed as Gardiner Dairy Foundation's Business Manager in February 2015. She is a Director of the Future Farmers Network Board and spent almost three years as Industry Development Manager with the Australian Fodder Industry Association. She has social media and sales and marketing experience in the agricultural space and spent a year in Scotland as an Agricultural exchange student.



Jenny Walsh
OFFICE MANAGER

Having an extensive background in the dairy industry, Jenny joined the Gardiner Dairy Foundation in June 2007 and is responsible for the office management, administrative, financial and team support functions. She also provides administration support to the Chairman and Chief Executive.

Performance of the Gardiner Dairy Foundation Investment Portfolio

The Gardiner Dairy Foundation is responsible for managing the Foundation's investment portfolio. This responsibility is guided by the Foundation's Constitution which requires us to:

- invest the income and capital of the Company in investments that are prudent and not speculative
- diversify the investments
- have regard to the need to maintain the real value of capital and the risk of capital loss or depreciation
- have regard to the liquidity and marketability of the proposed investment.

Consistent with this, the Foundation and its Investment Managers, have developed an investment strategy which recognises the Foundation's Not-for-profit status and perpetual investment horizon. The investment strategy has a strong bias to 'blue chip' Australian shares with high dividend yields that are fully franked. The portfolio of 'blue chip' shares is also expected to deliver capital growth through the share market cycles of at least similar magnitude to the CPI.

The Foundation's Strategic Asset Allocation (SAA) has evolved over time and is currently 90% in growth assets, and 10% in fixed interest securities and cash.

Period	Investment Manager	Approach	Asset Allocation
June 2001 to Nov 2004	State Trustees	Manager of Managers with funds invested in various BT, Merrill Lynch and State Trustees funds	Australian Equity 35%, International Equity 25%, Property 10%, Fixed Interest 15%, Cash 10%
Dec 2004 to May 2009	ANZ Trustees	Direct active Stock Selection	Australian Equity 75%, Listed Property 5%, Debt Securities 20%
May 2009 to June 2014	ANZ Trustees	Direct active Stock Selection	Australian Equity 90%, Debt Securities & Cash 10%
Jul 2014 to date	Equity Trustees	Direct active Stock Selection	Australian Equity 90%, Debt Securities & Cash 10%

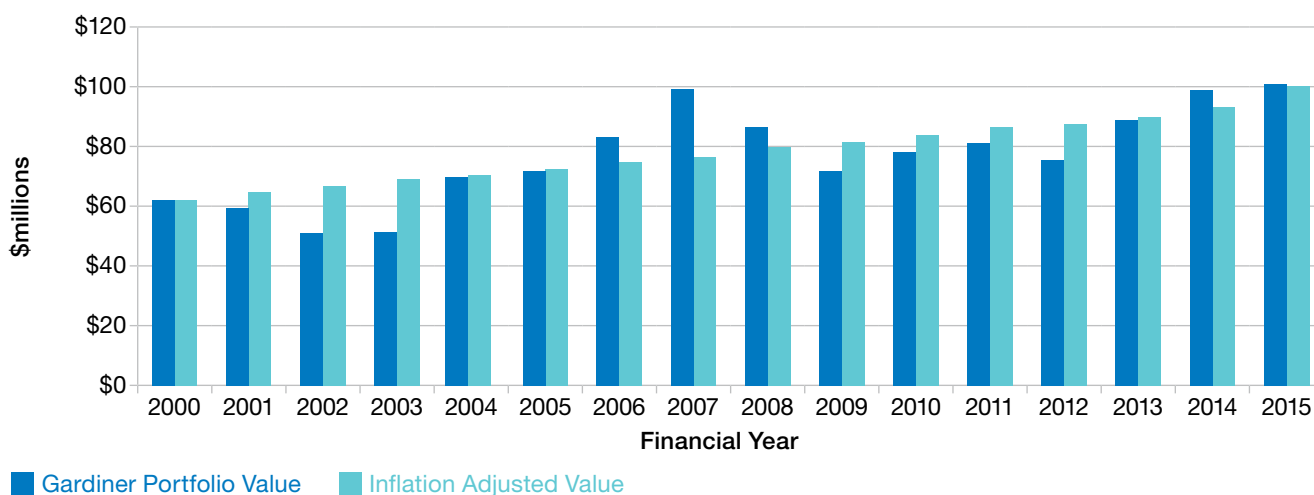
Although, this is a relatively aggressive approach in comparison to other foundations, it has benefited the Gardiner Dairy Foundation in delivering a relatively stable income stream and maintaining the real capital value of the investment portfolio.

Every three years the Foundation engages a consultant to review the performance of the Foundation's Investment Manager. The last review conducted by Mercer was received in September 2014 and found that the Total Returns including Franking Credits of 10.5% since

inception exceeded what they considered to be the relevant benchmark by 1.8%.

Figure 1 presents the growth of the Foundation's investment portfolio from the starting value of \$63m in 2000 through to the \$102m value as at the end of the 2014/15 financial year. The chart also shows the inflation adjusted value required to maintain the real value of the original investment, which at the end of the 2014/15 financial year is \$100m.

Figure 1: Gardiner Portfolio vs Inflation Adjusted Value (\$millions)



Investment Objectives

To pursue the Constitutional requirements set out above, the Investment Management Agreement (IMA) with Equity Trustees Limited (dated May 2009) has the following investment objectives:

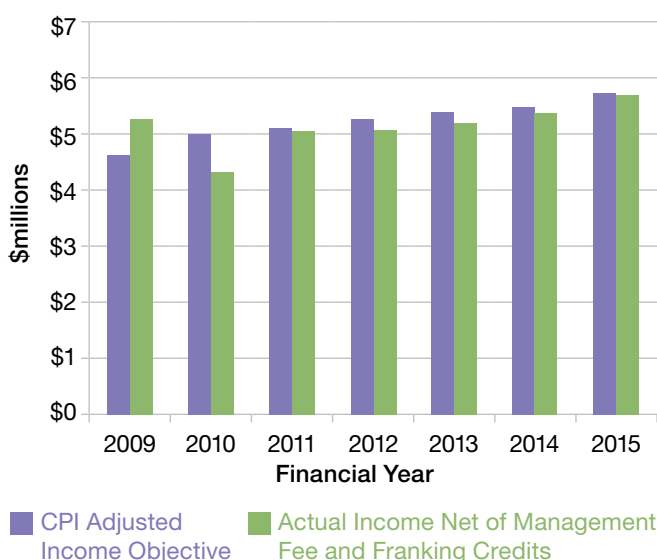
1. invest in a diversified manner so as to achieve a gross income of not less than \$5,000,000 *per annum* (including franking credits), after the deduction of management fees
2. grow the income of the fund, by at least the rate of inflation over a rolling 2 year period
3. achieve a capital growth in excess of 90% of the S&P/ASX 100 Price index over a rolling 2 year period.

Income Objectives

The portfolio has produced income of \$5.7m for the 2014/15 financial year. While share prices tend to fluctuate, income from the underlying company dividends and franking credits has been relatively stable.

With regard to the second income objective, the portfolio's actual income compared to the CPI Adjusted Income objective is presented for a seven year period in Figure 2 below (albeit not on a rolling 2 year basis). The portfolio has delivered income growth however it has been marginally short of the CPI adjusted objective.

Figure 2: CPI Adjusted Income vs Actual Income including franking credits and net of management fees at 30 June 2015 (\$millions)



Capital Growth Objective

To assess performance against our capital objective, the capital growth of the portfolio is compared to the Australian Stock Exchange S&P/ASX 100 (ASX 100) index. The ASX 100 Index is comprised of 100 stocks selected by the S&P Australian Index Committee. The index provides a benchmark for large active fund managers whose emphasis is on having a portfolio with strong liquidity. It covers large-cap and mid-cap stocks evaluated for liquidity and size.

Rolling 2 Year Period Core Objective for Capital Growth

The goal of the portfolio is to grow in excess of 90% of the ASX 100 over a 2 year rolling period. Over a 2 year period, the ASX 100 closed at 4554.67 as at end of June 2015, compared to 4188.27 at the end of July 2013, an increase of 8.75%, with a benchmark return on funds of 7.87% (90% of 8.75%). In comparison to the benchmark, the portfolio experienced strong growth of 10.35% for the two years to 30 June 2015 (\$92m to \$102m over 2 years).

Financial Year 2014/15 Assessment

At the end of the financial year 2014/15, the ASX 100 closed at 4554.67, compared to 4488.60 at the end of the prior year, an increase of 1.47%, with a benchmark return on funds of 1.32% (90% of 1.47%). In comparison to this benchmark, the portfolio experienced strong growth of 4.85% (\$97m to \$102m).

In summary, the portfolio has achieved the income objective and the corpus value at \$102 million exceeds today's value of the original \$62 million vested with the Foundation.

Table 1: Summary of movement relevant to the capital growth objective

	Over 2 Year Period			2013/14 Financial Year		
	Jul-13	Jun-15	% Change	Jun-14	Jun-15	% Change
ASX100 Index (A)	4,188.27	4,554.67	8.75%	4,488.60	4,554.67	1.47%
90% Benchmark (B)			7.87%			1.32%
Portfolio Value (C)	\$92.22m	\$101.77m	10.35%	\$97.06m	\$101.77m	4.85%
Performance to Benchmark (C v B)			✓			✓



Gardiner Dairy Foundation Funding Portfolios

The Constitution of the Gardiner Dairy Foundation provides a remit to “manage the investment of funds to maximize the benefits to all sectors of the Victorian dairy industry and to Victorian dairy communities.”

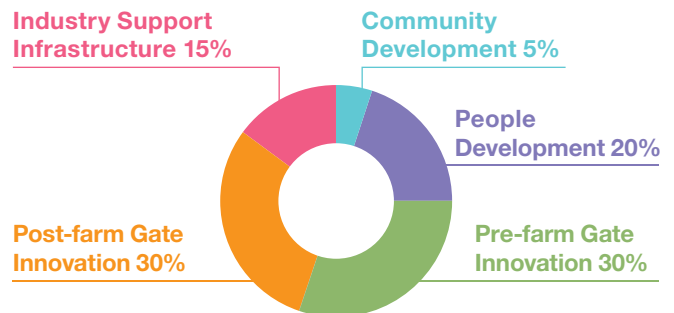
Since inception fifteen years ago, the Gardiner Dairy Foundation has contributed over \$55m toward 713 projects having a total value of \$160m including cash and in-kind contributions from all partners. These investments supported dairy industry development activities and projects that involved research, development, technology transfer, people and community development.

The Gardiner Dairy Foundation was established in 2000 by the Victorian Government, in partnership with Victorian farmer, processor and manufacturer groups. The Foundation’s remit is established via legislation in Section 65 of the Dairy Act 2000. Since its establishment, the Gardiner Dairy Foundation has made a significant contribution to the Victorian dairy industry and is unique in its position as an independent investor within a dairy industry.

A principal responsibility is stewardship of the original corpus of \$62m and the need to maintain the real value of the capital, which at the end of financial year 2015, through capital growth, has achieved a value in excess of \$102m.

During 2014/15 the Gardiner Dairy Foundation commenced its investment in several large and significant projects under its *Strategic Direction 2015-17* while continuing to support the industry through the funding of on-going projects in the Innovation, and Community and People Development portfolios. The investment allocation is highlighted in Figure 1 below. Total project investment during the financial year amounted to \$3m.

Figure 1: Investment Allocation for the Gardiner Dairy Foundation



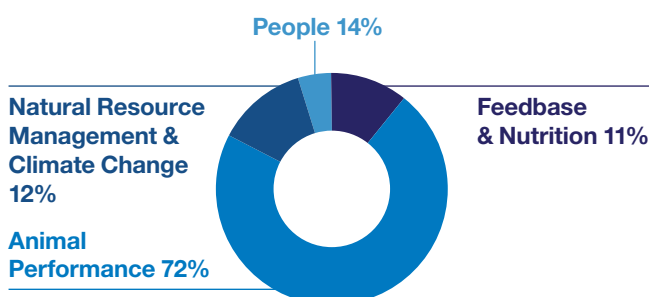
Innovation Portfolio

Gardiner Dairy Foundation's *Strategic Direction 2015-17* will deliver on the key industry objectives of profitability, growth and sustainability. The approach is to invest a 'meaningful' amount into a small number of well-targeted projects, generally as a co-investor to maximize the investment's critical mass. This will be implemented in the Innovation Portfolio as Challenge Round grants. These \$1.5m investments in RD&E, require matching funds and have been directed towards the Dairy Moving Forward (DMF) strategic priority goals in areas of Animal Performance and Feedbase & Animal Nutrition.

During 2014/15, in the Innovation Portfolio:

- Eight projects were supported with financial year payments of \$1.1m and total Gardiner Dairy Foundation funding of \$3.9m.
- For each Gardiner Dairy Foundation dollar invested, an average of \$2 worth of cash and/or in-kind contributions were contributed by project partners.
- The first Challenge Round project, titled *Improving farm profitability by demonstrating the value of genetics and herd improvement*, was initiated to drive herd improvement through adoption of existing industry systems and technology.
- The majority of funding addressed pre-farm gate RD&E objectives, with a small number aiming to impact across the supply chain. This was mainly due to the pre-farm gate initiatives from the *Strategic Direction 2015-17* being implemented before the post-farm gate initiatives.
- All projects could be categorised to align with either the DMF or The Dairy Innovation Australia Limited (DIAL) priority areas (Figures 1 and 2).
- The projects in the portfolio have become fewer, but larger, with the average total funding across the eight projects active during 2014/15 (\$483,220) higher than the average of the 16 projects active during 2013/14 (\$339,705).

Figure 1: Percentage of Gardiner Dairy Foundation funding 2014/15 – Pre-farm Gate areas aligned with DMF priority areas



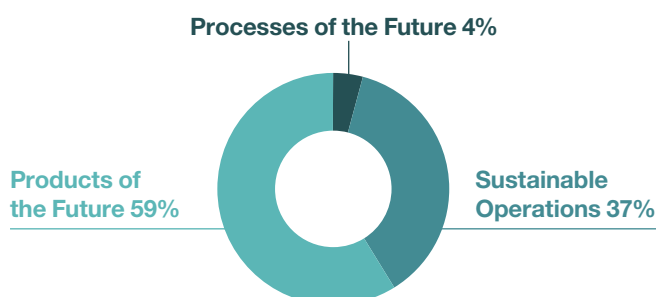
Pre-farm Gate Investment 2014/15

In 2010, the Dairy Moving Forward initiative was introduced as the national strategic framework for pre-farm gate RD&E with five priority areas for research programs. These included the areas of: Feedbase & Animal Nutrition, Animal Performance, Natural Resource Management & Climate Change, Farm Business Management and People. Gardiner Dairy Foundation project spending was categorised within this framework, with Innovation Portfolio investments aligning strongly with the national framework in four of the five categories. Of the projects that have been active in 2014/15, 83% of the investment was in the Feedbase and Nutrition and Animal Performance categories (Figure 1).

Post-farm Gate Funding

The Dairy Innovation Australia Limited cluster structure was utilised for categorising Gardiner Dairy Foundation investment with industry priorities in the post-farm gate sector of the supply chain. The DIAL clusters are: Quality, Cultured products, Resources, Processes of the future, Powder processing and Products of the future. Cultured Products is a significant component of DIAL's activity however, it is not research-based and is therefore excluded from the analysis as not applicable. The allocation of Gardiner Dairy Foundation investment fell primarily into two of the cluster areas, shown below (Figure 2). The majority of the activity has been aligned with the Processes of the Future, focusing on attracting skilled engineers towards a career in dairy manufacturing through the MITI project.

Figure 2: Percentage of Gardiner Dairy Foundation funding 2014/15 – Post-farm Gate areas categorised into DIAL clusters.



Innovation Portfolio – New Strategic Investment Projects in 2014/15

Pre-farm Gate

Challenge Round 1

Department of Economic Development,
Jobs, Transport and Resources, Associate
Professor Ben Hayes

Improving Farm Profitability by Demonstrating
the Value of Genetics and Herd Improvement.

Partner Organisations:

Dairy Australia, Australian Dairy Herd Improvement Scheme,
National Herd Improvement Association, Holstein Australia,
French National Institute for Agricultural Research and the
Scottish Rural College.

Genetic improvement is a major driver of profit and productivity in the Australian Dairy industry. Demonstrating that herd improvement, including genetic improvement and herd testing, improved profit was a key goal recognised by the Herd Improvement Strategy 2020. This Gardiner Dairy Foundation investment aims to demonstrate that profitable herd decisions can be easy for farmers and advisors by testing the economic efficacy of tools and systems that reduce complex science into simple, data-driven practice. Using dairy farm monitor methodology, the relationship between genetic merit – as measured by the ADHIS indices – and profit will be tested on 25 herds. The results will then be communicated back to farmers and advisors through extension activities.

Best practice extension will be a key part of the project. It will use 'innovation networks' among farmers, consultants, milk processors, the financial sector, researchers and other service providers within the project. It is anticipated that the project will generate a sense of excitement and respect for genetic improvement and which could add an extra \$66m to farmer profit over 20 years.



Post-farm Gate

Monash University, Madeleine McManus

Monash Industry Team Initiative

Partner Organisations:

Murray Goulburn, Fonterra Australia, Bega Cheese,
Warrnambool Cheese & Butter, Burra Foods

Working closely with dairy manufacturers, Gardiner identified that advanced engineering and IT skills need to be actively pursued to ensure that the industry maintains its competitive edge through innovation. MITI enables companies to select candidates from a cohort of high achieving engineering, education and information technology students. Multidisciplinary teams are then embedded in dairy manufacturing environments for 3 months, to undertake commercially relevant, challenging and rewarding work.

As dairy manufacturers shift away from commodities towards more consumer focused products they require increasingly sophisticated skill sets in their work force to meet the new requirements. The MITI initiative was established to overcome the identified skills gap in engineering and the challenges dairy food manufacturers have in attracting high calibre engineers to the dairy sector. Both the students and companies involved in the first program were extremely positive about the experience.

By using the MITI concept as the vehicle, Gardiner Dairy Foundation aims to:

- overcome the skills gap for manufacturers
- attract students with sought after skills and provide practical exposure to the dairy industry
- build the dairy industry's profile as a viable and attractive career option
- build the dairy industry's profile as a sophisticated manufacturing industry
- enlighten graduates to the benefits of living in regional areas.



Innovation Portfolio – Ongoing Projects

The University of Melbourne, Professor Ken Hinchcliff, Dr Michael Pyman (phase 2)
Dairy Resident Training Program – Increasing Veterinary Expertise, Capacity and Research

Partner Organisations:

Dairy Australia, The Vet Group (Timboon), Maffra Veterinary Centre, Warrnambool Veterinary Clinic, Rochester Veterinary Clinic (Phase 2 only)

The Dairy Resident Training Program was expanded into a second phase to include northern Victoria. In this phase, four more Veterinary Residents are participating, ensuring a supply of competent, well-trained professionals with skills that can improve farm productivity, herd health, ensure industry awareness of animal welfare issues and manage farm biosecurity issues.

Department of Economic Development, Jobs, Transport and Resources, Dr Andy McAllister

Farm Web 2.0: A Web-based Nutrient Topic Package for the Victorian Dairy Industry

Partner Organisations:

Murray Goulburn Co-operative, University of Missouri

This project focuses on helping the industry to improve and demonstrate more efficient use of nutrient inputs through innovative mapping technologies.

Monash University, Professor Margaret Alston OAM

Social Sustainability in Dairying Communities Impacted by the Murray-Darling Basin Plan

Partner Organisations: Australian Research Council

Through research with people in dairy communities in the proposed Murray-Darling Basin Plan, this project will closely examine social sustainability and identify social supports to enhance positive adaptation and individual and community resilience in the Murray-Darling Basin.

Swinburne University of Technology, Dr Richard Manasseh

Ultrasonic Production of Skim Milk

Partner Organisations:

Australian Research Council, CSIRO Animal, Food & Health Sciences

This project aims to determine which parameters are important for the design of an ultrasonic milk separator, build a prototype, and optimise its operation, while also performing research to understand the fundamental phenomena at play.

Dairy Australia, Matt Shaffer

Health Data for Healthy Cows

The objectives of this project is to better understand the incidence of health disorders in the Australian dairy herd to provide provisional breeding values to farmers to improve the health of their herds (and hence their profitability) and to inform future R&D around the usage of antibiotics.

Innovation Portfolio – Projects Completed in 2014/15

Department of Economic Development, Jobs, Transport and Resources, Dr Cameron Gourley

Dairy Nitrogen for Greater Profit

Partner Organisations:

Tasmanian Institute of Agriculture, Department of Agriculture and Food WA, Murray Goulburn Co-operative, Fonterra Australia

This project aimed to increase farm profit through better decisions on nitrogen fertiliser applications on dairy farms, by delivering knowledge, training and tools. It collated 19,000 data points of pasture dry matter production in response to a nitrogen application in a database, then used this data to mathematically predict the amount of pasture that would be grown in a given location and season. This pasture production then informs an economic model which calculates the optimum profit that can be realised from the fertiliser purchase.

When feedback was sought from leading agronomists and extension providers, it seemed clear that the tool had delivered on its aim. Agronomist for Incitec Pivot, Lee Menhenett said, “The tool is based on the best science. It’s a tool that you can have confidence in.” Dairy farm field services manager Mark Jago, from Murray Goulburn, agrees. “It’s a great outcome to be able to use 50 years of nitrogen experiments, then to take that and put it into a discussion support tool that a farmer can use with a consultant to get better outcomes for his N usage and N spend,” he said. We look forward to the legacy of this investment.



Community and People Development Portfolio

The Gardiner Dairy Foundation has a remit under its Constitution to support people and community development activities.

During 2014/15, the Foundation supported 25 projects in people and community development with financial year payments of \$475k, with total Gardiner Dairy Foundation funding of \$1.6m over the lifetime of the projects.

People

The Executive and Board have endorsed an investment strategy for the Gardiner Dairy Foundation of supporting and developing skills for the stakeholders of the Victorian dairy industry and in particular developing the leaders of the future via a range of programs and activities. This strategy is aligned with the founding constitution of the Gardiner Dairy Foundation and the national RD&E framework Dairy Moving Forward. The strategy incorporating an enhanced approach to people and leadership development was finalised in 2014 and will be fully implemented in 2015-17.

The Community and People Development Program invests in projects in the Victorian dairy industry that:

- Fill skill and capability gaps
- Provide local support programs for dairy communities.

1 Gardiner Dairy Foundation RDP Farm Business Management Program

The creation of the new Farm Business Management Program, to be run in partnership with the Victorian RDP's (WestVic Dairy, Murray Dairy and GippsDairy) over the next three years, will be the largest single investment under the Community and People Development Portfolio. Interviews were conducted by an independent panel to select and support ten people to undertake courses with a focus on farm business management and risk management. The courses – identified via a rigorous and independent assessment of available financial and business management courses – are the Rabobank Executive Development Program, The University of Queensland Business School, Owner Manager Program™ and the Australian Rural Leadership Program. Successful candidates will be announced in FY2015/16.

2 Community Leadership Program

In April 2014 Gardiner Dairy Foundation signed a 3-year Memorandum of Understanding with the Victorian Regional Community Leadership Program Secretariat to provide up to ten scholarships per year in five of the Community Leadership Program (CLP) regions associated with dairy. The scholarships will be awarded to at least one dairy farmer plus other dairy industry-professionals

per region. This agreement provides the opportunity for emerging dairy leaders to develop leadership skills and networks within their own community.

The 2015 Scholars Are:

Vidura 'Del' Delpitiya

Alpine Valleys Community Leadership Program

Jason Smith

Community Leadership Loddon-Murray

Monique Bryant, Lyndal Humphris

Fairley Leadership

Michael Croatto, Robyn Mitchard

Gippsland Community Leadership Program

Craig Dettling, Brendan Rea

Leadership Great South Coast

The five regional Community Leadership Programs, supported by Gardiner Dairy Foundation Scholarships, have been developing leadership within their regions and key industries since 2006. The following profiles illustrate how many of the CLP scholars go on to take up leadership roles within the dairy industry and their communities.

Tracing the Leadership Development Journey

Community Leadership Program 2012

Tom Newton was awarded a Gardiner Dairy Foundation Scholarship to undertake the Great South Coast Community Leadership Program in 2012. He was appointed to the service provider position on the WestVic Dairy Board in October 2014. Tom grew up on a property in Stanthorpe in Queensland and moved to south west Victoria five and a half years ago with his wife Lu and his daughters Annabelle and Polly. His interest in the dairy industry was first kindled when he became involved in supplying dairy ingredients to the food manufacturing industry with Maxum Foods and he has since moved onto managing Maxum Animal Nutrition. He is especially interested in increasing farmer engagement, transitions in and out of the dairy industry, as well as helping farmers understand their business. Tom was also a member of the Gardiner Dairy Foundation Tertiary Scholarships selection panel in 2015.



Tom Newton
Great South Coast Community
Leadership program 2012



Community Leadership Program 2014

Yannathan's **Lauren Finger** was awarded a Gardiner Dairy Foundation CLP scholarship to undertake the Gippsland Community Leadership Program in 2014. Lauren is now one of GippsDairy's newest directors having joined in late 2014. She sees the GippsDairy Board as a first step in developing a leadership role in the dairy industry. Lauren's experience includes working as a vet in private practice and working with the Department of Economic Development, Jobs, Transport and Resources (DEDJTR). As well as being a mother two young children, with husband Simon, she runs a growing dairy farm business. Lauren and Simon milk 400 cows on a 340 acre farm that was once the home of inaugural GippsDairy chair, the late Don Campbell.



Lauren Finger
Gippsland Community
Leadership program 2014

Community Leadership Program 2015

Vidura "Del" Delpitiya is the Alpine Valleys Community Leadership Program's Gardiner Dairy Foundation scholar for its 2015 Program. For the past four years Del has worked as a share farmer/farm manager with the Simpson family on their dairy farm at Cudgewa, near Corryong. Now 40 years old, Del and his family migrated to Australia from Sri Lanka five years ago as a skilled migrant. Del has a Bachelor of Science in Agriculture and for more than a decade managed large scale tea plantations in Sri Lanka. The Simpsons have embraced the Delpitiya's, since Del first answered the advertisement for a share farmer for their dairy farm, and consider them part of the Simpson's extended family.

Del and his family have thrown themselves into life in the upper Murray community in which they live. Del is now an active member of the Dairy Business Network (Corryong branch), Upper Murray Agribusiness Group and Young Dairy Farmers Network.



Del Delpitiya
Alpine Valleys Leadership
Program 2015

3 Australian Dairy Leadership Alumni

The Australian Dairy Leadership Alumni is an initiative of the Gardiner Dairy Foundation, Dairy Australia and the DEDJTR. The Australian Dairy Leadership Alumni was drawn from graduates of Executive Leadership programs offered by the following; Australian Rural Leadership Program (ARLP), Nuffield Farming Scholarships, Rabobank Executive Development Program and Horizon2020. Many of the graduates currently hold senior positions within industry, agriculture and politics – others are on a clear path for taking on such roles. The networking, mentoring and connection that the Alumni brings, enhances the leadership pathway and ensures that investment in such leadership programs has an optimum outcome.

The Australian Dairy Leadership Alumni 2014 Summit was developed with the guidance of the Steering Committee, representing each of the founding leadership programs.

Interest and participation in the second Australian Dairy Leadership Alumni Summit was extremely positive with over 45 attendees. The Alumni were joined by four current Rabobank and Nuffield scholars to introduce them to the concept. In addition five current Gardiner Dairy Foundation Community Leadership Program scholars also attended to act as observers and scribes for the Forum component of the Summit. Approximately 20 others expressed interest in the concept but were unable to attend. In 2015 a further six graduates will be eligible to join the Alumni.

The Summit enabled participants to discuss and identify the priority opportunities and risks associated with three key industry issues of profitable growth, social license to operate and advocacy models. Opportunities and risks were examined at two levels – the whole of industry and from each participant's own role as a leader in their business and the industry.

The Summit also enabled participants to reflect on their own leadership development and practice and to identify recommendations for the industry to take action around the three key industry issues. Each participant was encouraged to identify personal actions they would commit to in their role as a leader in their business and the industry.

The Gardiner Dairy Foundation is committed to Secretariat support for the Australian Dairy Leadership Alumni 2013- 2017.

4 Nuffield Farming Scholarship

Each year, Gardiner Dairy Foundation supports a Nuffield Farming Scholarship. It provides a unique opportunity for a Victorian dairy farmer to experience agriculture from a global perspective and investigate their chosen agricultural topic. 2014 scholar Aubrey Pellet, from Hill End, used his scholarship to investigate the future of productivity gain for dairy farmers.

5 Gardiner Dairy Foundation / United Dairy Farmers of Victoria New Zealand Study Tour 2015

The GDF/UDV New Zealand Study Tour provides the opportunity for a group of young dairy farming employees or students to attend an eight day international study tour. The visit takes in a range of aspects of the New Zealand dairy industry including farms, processing companies, research and extension facilities, plus visits with farmer groups and networks. The 2015 Study Tour in February, funded by Gardiner for the sixth year, took place on the South Island of New Zealand for the first time.

2015 Participants:

Kerrilyn Bassett

On farm and student (Northern Vic)

Jason Bermingham

Farm owner and student (Gippsland)

Hayden Hanratty

Farm manager and student (Gippsland)

William Ryan

On farm and student (Gippsland)

Sarah Saxton

Australian Dairy Herd Improvement Scheme

Aaron Thomas

Sharefarmer and student (Gippsland).

2015 Tour Leaders:

Gordon Nicholas

UDV Policy Councillor and dairy farmer from Biggara

James Goulding

NCDE Industry Trainer

Yaelle Caspi

UDV Project and Policy Officer

Tour participants delivered their findings to the dairy industry at the UDV 2015 Conference on 29 April. Their topics of interest included New Zealand trends, industry contacts and pathways, cows and the competitive market environment, nitrate leaching and business acumen.



6 Gardiner Dairy Foundation Tertiary Scholarships

Assisting rural people to undertake tertiary study, Gardiner Dairy Foundation awarded three new scholarships in 2014/15 in this successful program, which also continues to fund seven existing scholars.

2015 Tertiary Scholars:

Owen Cumming was awarded the Bill Pyle Dairy Scholarship 2015 and has enrolled in a Bachelor of Environmental Engineering (Honours)/Science at Monash University.

Lee Forrest was awarded the Doug Weir Dairy Scholarship 2015 and has enrolled in a Bachelor of Science at the University of Melbourne.

Samantha Conn was awarded the Jakob Malmo Dairy Scholarship 2015 and has enrolled in a Bachelor of Commerce at Deakin University.

Ongoing Tertiary Scholars:

Hayden Jones of Lima South was awarded the Bill Pyle Dairy Scholarship 2014 and enrolled in a Bachelor of Medicine/Bachelor of Surgery at Monash University.

Liana Collins of Lorne was awarded the Doug Weir Dairy Scholarship 2014 and enrolled in a Bachelor of Nursing/ Psychology Science at Deakin University.

Mitchell Dodds of Boolarra was awarded the Inaugural Jakob Malmo Dairy Scholarship and enrolled in a Bachelor of Science/Doctor of Veterinary Medicine at The University of Melbourne.

Matthew De Cicco of Merrigum was awarded the inaugural Bill Pyle Dairy Scholarship 2013 and is undertaking a Bachelor of Veterinary Biology/Bachelor of Veterinary Science at Charles Sturt University, Wagga Wagga.

Monique McMahon-Hide of Wallington was awarded the inaugural Doug Weir Dairy Scholarship 2013 and is undertaking a Bachelor of Animal and Veterinary Bioscience at La Trobe University, Bundoora.

Rebecca Littler of Wodonga was awarded a Gardiner Dairy Foundation Tertiary Scholarship in 2012 and is undertaking a Bachelor of Science in Environmental Management and Ecology at La Trobe University, Albury/Wodonga.

Erin Taylor of Timboon was awarded a Gardiner Dairy Foundation Tertiary Scholarship in 2012 and is undertaking a Bachelor of Veterinary Biology/Bachelor of Veterinary Science at Charles Sturt University, Wagga Wagga.



Community

ANZAC Centenary Travelling Exhibition

The Gardiner Dairy Foundation has sponsored an activity associated with the ANZAC Centenary in rural and regional Victoria. A travelling rural exhibition commemorating the ANZAC Centenary, curated by The Shrine of Remembrance entitled *Australia Will Be There: Victorians in the First World War (1914-1919)*. The exhibition will tour Victoria over the next four years – highlighting the experiences of Victorian's who contributed to the war effort, whether on the frontline or from the land. Gardiner is supporting the exhibition and has requested historical societies and dairy farming families contribute stories of their forebears who were involved in WWI. The exhibition is interactive with stories and photos catalogued against the rural towns and can be viewed as the exhibition tours through Victorian towns.



James Henry White cuts timber on his Gippsland farm

Gardiner Dairy Foundation/ Foundation for Rural and Regional Renewal Small Grants Program

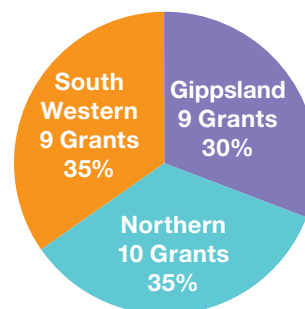
The Gardiner Dairy Foundation is committed to strengthening dairy communities. In 2015, Gardiner continues to partner with FRRR to deliver its Small Grants Program to fund worthwhile projects in Victorian dairy communities with small populations. A total of \$100,000 is provided by the Foundation to fund grants for innovative, community-driven projects. These grants of up to \$5,000 aim to strengthen small Victorian dairy communities, help build their capacity to deal with local issues and enhance existing community infrastructure.

Twenty eight successful community organisations were awarded grants totaling \$100,000, announced at a Grants Presentation event at The Shrine of Remembrance in July 2015.

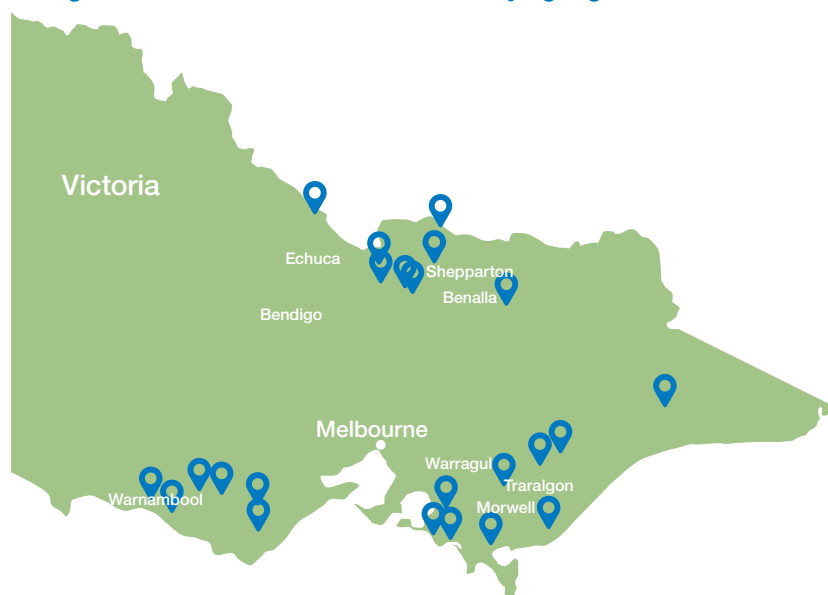
Funding has been confirmed for another round of Small Grants funding in 2015/16.



Distribution and percentage of successful grant applications by dairy region:



Geographic distribution of grants across the three Victorian dairying regions:



Grants in the Gippsland Dairy Region – 9 Grants Totaling \$31,837

Boisdale Consolidated School

Kids in the Kitchen – Building a Healthier Community

Broaden the school's curriculum areas and enhance their role as a community hub through building a three workstation kitchen classroom.

Foster & District Community House & Learning Centre

Communications and IT Upgrade

Expand community internet access and offer more efficient service and learning environment through the upgrade of IT facilities.

Heyfield & District Traders Association Inc

Summer Music in the Park

Boost local economy by attracting visitors from across the Wellington Shire and strengthen local community spirit by providing four 'Summer Music in the Park' events.

Inverloch Men's Shed

Hooray! Here It Is

Support men's health, prevent social isolation, support intergenerational interaction and share skills by building new Men's Shed.

Loch Community Development Association

The Village Trailer

Better OH&S standards to safely enable community access, storage and transport of a large marquee by modifying specific purpose trailer.

Buchan Early Years Reference Group (Good Beginnings Australia)

Support to Grow Well Project

Increased educational support for disadvantaged preschool and primary school age children through the implementation of a breakfast club and improved curriculum resources.

Yallourn North Hall & Recreation Reserve

Accommodate Them Well and They Will Give Thanks

Infrastructure improvements to community hall used as disaster co-ordination centre, to increase comfort of users and sustainability.

Wonthaggi Seed Bank Inc

Wired Up

Development of new facilities and safer working environment for the volunteer community at the seed bank, enabling local propagation of indigenous seedlings for use on farms and other community projects.

Woodside & District Football and Netball Club Inc

Cooking in the Kitchen

Increasing the capacity of the community to better cater for large numbers of visitors at community meetings and events by purchasing a convection oven, Bain Marie and cookware for the community reserve kitchen.

Grants in the Northern Dairy Region – 10 Grants Totaling \$35,618

Cobram Community House Inc

Slip, Slop, Slap... Shade!

Better use of outdoor facilities and extending the capacity of a well used community venue by installing shade sails to create a sun smart area.

Cohuna Neighbourhood House Inc

Colour Our Happenings

Increase readership numbers and improve communication and promotion of local community news and events by upgrading the community newsletter and publishing it in colour.

Girgarre Development Group Inc

Tipping the Balance

Improve volunteer OH&S through the provision of a specific purpose community tipping trailer for use at many community working bees and events.

Katandra West Community Facilities Committee of Management (Greater Shepparton City Council)

Power Up Katandra

Provision of solar panels to increase sustainability and reduce overheads for all community user groups at a new community centre due for completion in February 2016.

Moyhu & District Pre-School

Let the Kids Play – Add More Shade

Reduce children's exposure to UV and enable compliance with OH&S guidelines by replacement of worn shade sails in Kindergarten playground.

Tatura Civic Halls Committee Inc

Improved Disabled Access

Greater social connectivity and inclusion by improving disabled building access.



Tatura Community House Inc

Another Monster for Tatura

Improved social connectivity and reducing environmental impact through recycling the community's assets by holding a monster garage/farm sale.

Tongala Community Activities Centre Inc

Take it to Tongala!

Improved community access to health information and support by providing an outing to a Cancer and Wellness Clinic.

Toolamba Primary School Council

State School Spectacular

Extension of extra-curricular cultural activities and development of children's confidence and creative abilities through support for participation at the State School Spectacular.

VICSES – Tatura Unit

Training Dummies – A Smart Idea

Prepare volunteers for the challenges of extracting road crash and farm accident victims through the provision of three training dummies of realistic weights.

Grants in the Western Dairy Region – 9 Grants Totaling \$36,000

Advance Camperdown Inc

Dream, Play, Live – Camperdown Apex Park

Improved community health and wellbeing and increased tourism through an upgrade of the public playground on the main thoroughfare.

Allansford Recreation Reserve Farm Inc

Building Better Communities with Better Pastures

Support for a community run social enterprise, farming dairy steers, which involves local retired farmers and works towards the improvements of recreation reserve facilities.

Colac Secondary College

Going Poddy

Agricultural educational infrastructure to enable the year round operations of the Cows Create Careers program for year nine students.

DemoDAIRY Cooperative Ltd

Candid Cows DVD's

Providing educational opportunities for children to understand where their food comes from through the production of two films on the lifecycle of a cow.

Kawarren Recreation Reserve Committee

Kawarren – Community Events for All

Support for community groups and community spirit through the fit out of furniture at a new community centre at the old school.

Koroit & District Pre-School Association Inc

Jacaranda Meeting Place

Indigenous literacy & heritage will be taught at the Jacaranda Meeting Place being built at the kindergarten for the children and the broader community to use – on the site of a traditional Meeting Place.

Noorat & District Agricultural & Pastoral Society Inc

Spark More Interest

Improved community facilities through upgrading internal power at multi user showgrounds which is also a designated emergency assembly area.

Terang & Mortlake Health Services

Keeping Connected With Community

The aged care facility has a buddy program with the local school and the purchase of a mini bus will allow excursions of the aged care residents to and from the school.

Terang Kindergarten Inc

Growing a Culture of Sustainability

Increasing children's early literacy skills and environmental and sustainability education through providing educational resources.



Strengthening Small Dairy Communities

Recognising the importance to dairy farming and dairy manufacturing of the small communities in dairy regions across Victoria, the Gardiner Dairy Foundation introduced a Strengthening Small Dairy Communities (SSDC) program in 2011. The program aimed to support the development of resilience in small communities, assist them to plan for the future, develop skills required to identify and implement priority projects and support the development of viable and sustainable business, social and cultural networks within their regions.

Program – Lower Tarwin Valley

The project aimed to develop a cluster of resilient small communities in the Lower Tarwin Valley (LTV) that can support an ongoing and viable dairying industry in South Gippsland. It has helped the eight small communities in the LTV district enhance their skills in planning for the future, winning grants, and planning and managing projects independently. It has supported the development of practical partnerships between volunteer groups and across town boundaries that will continue to benefit the communities long after the funded project has been completed. It has also developed a framework for future dairy community strengthening projects, and produced a 'Toolkit' of resources and information for volunteer groups and community leaders.

Program – Mitta Valley

In the Mitta Valley community engagement is progressing well with key local organisations and leaders. The Our Valley Our Future Plan continues to be implemented. Seven community working groups have been developed to drive the development of detailed action plans. Lessons learned from the South Gippsland project have informed this project's development and implementation, contributing to its strong establishment and positive progress to date.

Lasting Legacies of the Strengthening Small Dairy Communities Program

Historic Markers Project

Three communities-Dumbalk, Meeniyan and Fish Creek, are working together, using funds provided by the Gardiner Dairy Foundation, to establish a suite of historic markers across the district. A working party has been established, over 80 sites researched with the aid of local historical societies and community groups, and the plaques have been commissioned to be produced by a firm based in nearby Korumburra. A local light engineering company based in Dumbalk will erect the plaques when produced. The first group of these markers were placed on buildings in late May. The existing Prom Country Regional Tourism organisation has agreed to develop a mobile phone application featuring the plaques and a map to find them at no cost to the project – a significant bonus. South Gippsland Shire Council staff, who were involved during the SSDC project, have continued to provide assistance to the community committee who have undertaken this project.

Putting the Mitta Valley on the Map

A project to develop a Mitta Valley brand that can be utilised by a range of businesses including dairy has been established.

Sustaining Community Groups through Good Governance and Administrative Efficiency

This project will scope, develop and create a model for joint administration of local community groups. It will ensure good governance, reduce the burden on core volunteers and open up opportunities for community activity elsewhere.

Community and People Development Portfolio – Sponsorships/Scholarships 2014/15

Dairy Australia, Shane Hellwege

Cows Creates Careers 10 Year Celebration

Partner Organisation: GippsDairy



The Crawford Fund, Cathy Reade

The Crawford Fund 2014 Parliamentary Conference Dairy Scholarship

Recipient: Zita Ritchie

WestVic Dairy, Paula Doran

Great South West Dairy Awards Employer of the Year 2015

Winner: Sam and Mark Billings

United Dairyfarmers of Victoria, Vin Delahunty

United Dairy Farmers of Victoria Annual Conference 2015

GDF/UDV NZ Study Tour Presentation Session



Community and People Development Portfolio – Ongoing Projects 2014/15

Centenary of ANZAC

Travelling Exhibition – Australia Will Be There: Victorians in the First World War (1914-19)

Highlighting the contribution of dairy farming families to the military effort and on the land.

Partner Organisation: The Shrine of Remembrance

Australian Dairy Leadership Alumni

Partner organisations: Dairy Australia, Department of Economic Development, Jobs, Transport and Resources

Working in Dairy Communities Small Grants Program 2015

Partner Organisation: Foundation for Rural and Regional Renewal

Gardiner Dairy Foundation/United Dairyfarmers of Victoria, Vin Delahunty

New Zealand Study Tour 2015

Partner organisations: DairyNZ and National Centre for Dairy Education Australia

Victorian Regional Community Leadership Program 2014-16

Partner Organisations:
Victorian Regional Community Leadership Program

Farm Business Management Program 2015-17

Leadership Development

Partner Organisations: GippsDairy, MurrayDairy, West Vic Dairy

The Gardiner Dairy Foundation through the Gardiner/ RDP Farm Business Management (FBM) Program is aiming to identify and foster dairy farmers with strong FBM capability and leadership potential in the three Victorian dairy regions.

There are two key elements to this program; developing business acumen for the individual and subsequently the individual sharing their learnings with the broader Victorian dairy industry through leadership opportunities.

Community and People Development Portfolio – Projects Completed in 2014/15

Strengthening Small Dairy Communities – What Works and Why'

University of Melbourne

Partner organisations: South Gippsland Shire Council, GippsDairy, Lower Tarwin Valley Community Network

Gardiner Dairy Foundation/Foundation for Rural and Regional Renewal

Working in Dairy Communities Grants Program 2014

Nuffield Australia, Jim Geltch

2014 Nuffield Farming Scholarship for a Victorian Dairy Farmer

Awarded to Aubrey Pellet, dairyfarmer from Hill End

2014 International Year of Family Farming

Young Dairy Leadership Development

Partner organisation: United Dairy Farmers of Victoria







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