

Approved December 2020



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

# Strategic Plan 2020-2023

*“Gardiner’s core value-add is our ability to create enduring value for the dairy industry, particularly through R&D and leadership development, while also providing security and stability in a crisis.”*

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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 \$130m including bequests under management and has invested over \$75m to 2020 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 goal of '**Profitable, Confident and United**', we fund and promote RD&E, people and community development, and industry engagement and 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.
7. **Organisational effectiveness and efficiency** – we efficiently apply our resources and capability to most effectively achieve our Purpose and Objective.

*\* 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.

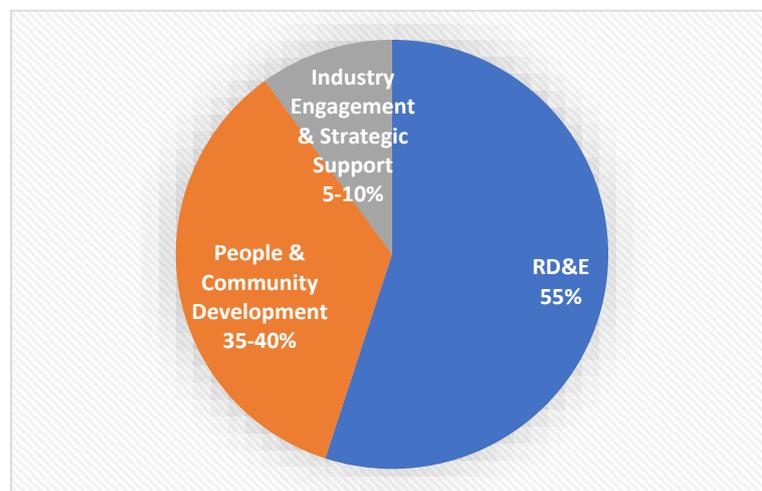
### 2. People and Community Development

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

### 3. Industry Engagement and Strategic Support

Wide engagement to support industry connectedness, 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: Profitable, Confident and United'.

Australian Dairy Plan, September 2020

The Australian Dairy Plan charts the way forward for the Australian dairy industry to be more profitable, confident and united over the next five years and beyond. The Dairy Plan sets the strategic direction and outlines the specific actions necessary to drive value and productive changes to achieve this objective.

At the core of the plan are five commitments – to deliver on the priority issues that were consistently communicated through industry engagement across the supply chain and from all dairy regions:

1. *Reform industry structures to create a more cohesive dairy industry and strengthen our influence with key stakeholders.*
2. *Attract and support new people and investment to build our industry.*
3. *Increase our effort in marketing and promotion to build greater levels of trust and improve the value of dairy.*
4. *Intensify the focus on farm business skills to improve profitability and better manage risk.*
5. *Restore trust and transparency between farmers and processors to strengthen industry confidence.*

In addition to the five commitments, the Dairy Plan recognises the crucial contribution of ongoing programs which will continue to ensure sustainable long-term growth of the industry:

1. *Shaping future success through research and innovation.*
2. *Industry success through strengthened policy leadership*
3. *Creating opportunities through market development*
4. *Empowering people through learning and capability development*
5. *Transforming dairy through industry-wide leadership and a positive culture*
6. *Sustaining the trust and support of the community and consumers (Sustainability Framework)*

Gardiner is committed to continuing joint efforts with the other partner organisations that came together to support the development of the Plan (ADF, ADPF and Dairy Australia) to enable the attainment of the Dairy Plan's goals and success measures, noting however that success relies on all dairy stakeholders taking ownership. We will focus our efforts on those parts of the Dairy Plan where we can add the most value, based on our expertise and experience.

# Gardiner's 2020 - 2023 Strategic Response

To achieve our Purpose and to support the Australian Dairy Plan, Gardiner will prioritise its Investment Programs in the following areas;

## Research, Development and Extension

The crucial role of research and innovation in underpinning the success of the dairy industry is widely recognised. Understanding the science of what makes a dairy farm work is fundamentally important in filling key knowledge gaps, and using existing information in different ways to contain cost increases, manage risks, increase milk production and sustain our natural resources.

Gardiner Foundation will continue to invest in research and innovation in partnership with other industry service organisations and government, with an emphasis on research that increases farm profit and reduces the costs of production. We will place an emphasis on major, collaborative investment partnerships that optimise impact such as through the following initiatives;

- *DairyBio* - delivering more advanced plant and animal genetics with greater yield, feed quality, heat-tolerance and persistence of pastures and increases in animal performance for production, fertility, heat tolerance and health.
- *DairyFeedbase* - delivering better management of agronomy and nutrition, with greater pasture yields and utilisation, improved allocation of feed for dairy herds, and improved nutrition.

Gardiner will support *Dairy Moving Forward* to expand the range of innovation models, to focus efforts to improve investment, and to undertake priority actions associated with the Dairy Plan.

## People and Community Development

The people in dairy, across the value chain, and the local dairy communities, are the life-blood that supports the industry. The capability, opportunities, health and well-being of dairy people and dairy communities is fundamental to achieving a profitable, confident and united dairy industry.

Gardiner Foundation will place an emphasis on the following people and community development areas;

- [Attracting new people to Dairy.](#)

Attracting new people to dairy, both pre and post farmgate, will continue as a priority for Gardiner and we will strengthen our investments through support for scholarships, learning and experiential opportunities that can overcome awareness and opportunity barriers for young people in dairy regions and those from metropolitan areas.

- [Enhancing Farm Business Skills and access to risk management tools.](#)

Improving farm business skills is an essential precedent to increasing profitability. Gardiner and Dairy Australia have cooperated in the development of the Our Farm, Our Plan business skills program, to support dairy farmers to:

- Clarify and document their strategic long-term goals,
- Identify and prioritise actions needed,
- Manage risks and capture opportunities.

Gardiner is committed to investing, in collaboration with Dairy Australia and other partners, to support an expanded and accelerated delivery of Our Farm, Our Plan across Victoria, and to support dairy farmers accessing new risk management tools.

- **Leadership Development and a positive industry culture.**

A positive culture plays a crucial role in industry success and building a more positive culture is fundamentally about leadership. Leadership is not simply skills and knowledge; it is also about the mindsets and behaviours we exercise every day. The Dairy Plan recognises that to deliver positive cultural change in a more volatile world, we need a new leadership paradigm where leadership is everyone's responsibility.

Gardiner has for many years invested in leadership development and we will strengthen these investments and be a major contributor to the development and implementation of a new Dairy Industry Leadership Strategy.

- **Strengthening dairy communities.**

Strong communities are vital to support the dairy industry. In a unique role among dairy service providers, Gardiner is committed to a grants program designed to strengthen Victorian dairy communities by assisting them to build local infrastructure, engagement and access to support that is a catalyst for community resilience, growth and well-being.

## **Industry Engagement and Strategic Support**

Engagement with industry stakeholders is a fundamental enabler of Gardiner's program planning, delivery and strategic industry assistance. Gardiner will strategically invest in projects and activities that address emerging and key issues and needs of the dairy industry and dairy communities. Gardiner will retain a high level of agility, enabling us to support the industry in times of critical need, such as from floods, fires or feed shortage and to support whole-of-industry enabling actions. Consistent with this approach, Gardiner will support the governance and reporting of the Dairy Plan implementation and will provide financial support to the process for reforming industry structures.

## Our Principles for maximising benefits and associated Key Performance Indicators

Principle	2018-21 Strategy alignment	Performance assessment approach	KPI	Accountability	When
Every decision is made with the <b>purpose</b> in mind.	“Purpose” and “How we work – 2”	Board meeting and Annual Board Self-Assessments (and CEO review) of achieving this intent.	Rating of ‘always’.	Board CEO	Each Board Meeting and Annual Assessment
Our policies and processes support the delivery of the <b>purpose</b> and they are regularly reviewed to ensure currency.	‘Purpose’ Internal processes	Schedule of policy and process review exists and is up-to-date	Yes or No	CEO	Six monthly
We are clear about the ambition of the industry and for dairy people and community development.  We have a clear and contemporary strategy, defined segments and resource allocation to deliver on these ambitions.	‘Objective’  “Investment Programs”, and “2020-23 Strategic Response”	Corporate Strategy recognises industry priorities and is revised on a 3 yr cycle  Corporate Strategy updated by May annually  AOP confirmed by August 30 annually	Yes or No  Yes or No  Yes or No	Board  Board, CEO  CEO	Annually
We are alert to industry and community needs and respond in an agile fashion when required.	“How we work – 4”	Board and management are aware of and informed of new and emerging issues, and identify appropriate GDF responses, as assessed by Members and stakeholders via 3yr Stakeholder Survey.	Rated as ‘very good’ or above	Board and CEO	Annually – AGM  Tri-annually (stakeholder survey)

Gardiner board and management demonstrate an appropriate culture, through its behaviours and stakeholder engagement	“How we work”	Performance assessed from; <ul style="list-style-type: none"> <li>Annual Board self-assessment</li> <li>3yr Stakeholder Survey</li> </ul>	Rating > good  Rating > good	Board  CEO	Annual  Tri-annual
The corpus is managed to best practice standards and the Constitutional requirements, delivering strong returns while managing risk.	“How we work -1”	Corpus performance meets or exceeds target investment objective	Corpus Performance Growth of CPI + 4.5%	Board	Six monthly
There is an appropriate balance between the revenue creation and the level of project investments. The budget allocation is as large as can prudently and sustainably be provided.	“How we work – 1”	YALE model applied to guide budget allocation by the Board as part of a comprehensive budget setting process.  Board approved Investment Corpus Management & Expenditure policy deployed	Trend of budget allocation is between 3 – 6% of corpus market value	Board	Annual
Best practice project selection, evaluation and reporting is applied.	“How we work – 2”	Project selection and evaluation policy and processes in place and applied.  All projects include a fit-for-purpose evaluation plan	All projects align with Strategy and purpose.  90% of scheduled project evaluations completed.	CEO  CEO	Annual.
Portfolio of known and prospective investment worthy projects by 30 June	Internal process	Board approved projects commissioned.	Forward year budget is >80% allocated to known projects by Sept 30.  Concluding year budget utilization in investment worthy projects exceeds 90%	CEO  Board, CEO	June and September annually

Overhead costs are lean and justified.	Internal processes	Clear policy on composition and treatment of Gardiner overhead costs with defined maximum target.	Fixed salary and admin costs 15-20% of total budget	CEO	June
We often achieve our <b>purpose</b> through collaboration and co-investment.  We optimise leverage of our funds to improve impact	“How we work – 3”  “How we work – 3”	Gardiner is recognised as an excellent strategic partner by collaborators and co-investors in the 3yr stakeholder survey.  <ul style="list-style-type: none"> <li>• % of external funds attracted.</li> <li>• Qualitative assessment of partnership approach with other industry providers.</li> </ul>	Rated as ‘very good’ or above  RDE projects attract net 50% co-investment  80% of CPD Projects demonstrate cooperation with other service providers	Board, CEO  CEO  CEO	Annual
We know who our key stakeholders are, what they want from Gardiner and what they think of our contribution	“How we work – 3, 4 & 5”	Stakeholder Strategy (3yr) exists together with annual communication and media plan  Independent 3yr Stakeholder survey	Yes or No  Stakeholder assessment as ‘very good’ or above	CEO  Board, CEO	Tri-annual Annual
We use Gardiner’s unique position to productively drive <b>strategic thought leadership</b> in the industry and its communities. We can be an influential facilitator and problem solver by bringing relevant parties together.	“How we work – 6”	Strategic communication plan includes ‘thought leadership’ projects and Gardiner is recognised as an influential strategic facilitator for the industry in Stakeholder survey	Minimum of 2 ‘Thought Leadership’ events, projects per year	CEO	Annual