



GARDINER FOUNDATION

**GEOFFREY GARDINER DAIRY FOUNDATION
LIMITED**

ANNUAL REPORT

2001-2002

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CHAIRMAN'S REVIEW

The Gardiner Foundation was established in October 2000 with the aim of benefiting the Victorian dairy industry and in particular, assisting it to become more competitive. Its core business is to fund research, education and related projects that benefit the dairy industry and the communities that depend on the industry for their prosperity and well being.

Our initial task was to establish a clear business philosophy for the Foundation, consistent with its Constitution, and to embody this within a Strategic Plan. Statements of purpose, business principles, strategies and critical success factors are presented in this Report.

Another priority was to establish processes to manage the Foundation's capital reserve of over \$60 million. Although the global investment market has been in a downturn for the past 18 months, vigilance and care have allowed us to achieve investment outcomes that are satisfactory by comparison with all available industry measures and benchmarks. The net movement in the capital reserve has been a decline from \$62.2 million received from the Victorian Dairy Industry Authority to \$59.9 million at 30 June 2002, after allowance for all redemptions for project funding and administration costs. I am confident that more positive capital growth will return as the world economy recovers.

Of equal importance was the development of processes to invest Foundation funds in projects of value to the dairy industry. Guidelines for applicants seeking small project funding were distributed by September 2001 and submissions for the first round of small project funding closed in November 2001. Decisions leading to the commitment of \$1.3 million were announced in February 2002. A second round of funding of small projects totaling \$0.5 million was concluded in August 2002.

In terms of the Foundation's purpose outlined in the strategic plan, the first two rounds of funding, a total of \$1.8 million, have resulted in 38 % of funds allocated to research and development, 17% to skills, education and training, 33 % to technology transfer and 12 % to community development. In addition, several projects that were ongoing from the previous Victorian Dairy Industry Authority continued to receive funding. The Gardiner Foundation also funded a series of projects through the Dairy Herd Improvement Fund.

By early 2002, we had also begun a two-stage selection process to identify major, long-term research projects deemed to offer significant value to the industry. Projects that are ultimately successful will each be eligible for financial support of at least \$250,000 annually for up to five years. Final decisions on these projects are expected later in 2002. Our strategy has been to encourage collaborative applications across diverse scientific disciplines and to foster synergies not otherwise exploited by traditional rural research funding. In addition, we are seeking effective leverage by

requiring matching funding from the host organisation or from other funding bodies. The Foundation has been helped enormously in these processes by the efforts of a highly professional assessment panel chaired by Dr Paul Nestel AO, Head of Cardiovascular Nutrition at the Baker Research Institute in Melbourne.

More recently, we have established a scoping study to advise on processes and options that suit our investment strategy for community development in dairying regions. Our particular concern is that projects funded should provide lasting benefits for the communities concerned. Findings are due soon and the first call for submissions should occur early in 2003.

The progress of all individual projects funded by the Foundation is assessed on an ongoing basis against documented milestones upon which continued funding depends. In addition, we are already examining processes to evaluate broad outcomes for the dairy industry from the Foundation's activities and expect to introduce a process in the new year.

I wish to extend my appreciation to all Members of the Foundation for their positive reaction to our activities over the past year. I am grateful also to the research community for their enthusiastic response to the funding offers we have made available, and to our project assessment panels.

Finally, I would like to acknowledge the support and innovation of my Board colleagues and the Chief Executive Officer, Carol Bate, and her staff for their unstinting contribution during 2001-02.

CHRIS NIXON

Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Looking back on the past twelve months, I believe that the Gardiner Foundation has made substantial progress. Because we are an organisation created from nothing less than two years ago, our first task was to implement a range of office and administrative systems to support our work. These ranged from financial accounting and information technology to communication and annual reporting.

At more or less the same time, the Foundation was establishing guidelines for its investment in research and development to support dairy industry competitiveness. It was essential, above all else, that processes used to assess project submissions and allocate funding were fair, transparent and well articulated.

The first call was for projects requiring small amounts of funding of up to \$100,000 per year. It was pleasing to note the number and diversity of applications received and the generally excellent standard of submissions. Topics ranged from on-farm productivity and milk quality through dairy processing to technology transfer and community leadership.

The Board's decisions were announced in February 2002 with \$1.3 million allocated in the first round. A second round of funding of \$0.5 million for small projects was completed in August 2002. In reaching its decisions for each round, the Board was assisted by a selection panel comprising Mr Max Fehring (Chairman), Professor Margaret Britz, Mr Paul Ford, Dr Tom Davison and Ms Carol Bate.

By March 2002, the Foundation had finalised and released guidelines for large project funding with amounts of \$250,000 or more for individual projects each year over a period of up to five years. Preliminary applications closed in June 2002 and the Foundation appointed an assessment panel chaired by Dr Paul Nestel, AO, assisted by Professor Mike Rickard, Dr Peter Parodi and Dr Phil L'Huillier. Board members Dr Graham Mitchell AO, and Professor Paul Moughan assisted the panel.

The Foundation deliberately set out to attract ideas and participants from the full range of science and engineering disciplines. The Board believed that scientists who have never had contact with the dairy industry before might have insights that could take the industry in exciting new directions

The Foundation has received recommendations from the panel about preliminary applications that should be developed to full submissions, each including a business case, for second round assessment in November this year. The Foundation will allocate funds to large projects on a matching basis. At least 50% of the total cost of the project must be provided by the organisation doing the work or by other research funding bodies.

All successful applicants for funding of large or small projects enter into formal contracts with the Foundation and on-going funding is linked to measurable achievement of milestones. Teething problems with contractual issues have arisen with a few recipient organizations causing frustrating delays, but these have largely been resolved and funds are being transferred upon contracts being signed and the receipt of taxation invoices. Importantly the resolution of these issues at this early stage will prevent similar delays in the future.

The Gardiner Foundation also has an obligation to provide \$3 million over three years for activities that support dairying communities. These activities may involve change management, support activities for families, local infrastructure programs and so on. There are established principles underpinning community development activities that relate to local involvement, partnerships and bottom up identification of issues.

The Foundation has commissioned a scoping study to articulate a vision for successful community development, specify its role and establish priorities for investment. The report and recommendations are expected by late September 2002.

The Foundation has given an undertaking to report on outcomes to its members and to brief them on current activities and future directions. Apart from the reports presented at the Annual General meeting and in the Annual Report, we have established a website and released detailed press releases to all media outlets at every stage of our funding processes. I have also taken many opportunities to meet with farmer groups, companies, key industry organisations, government agencies, scientific and other funding bodies to develop mutually advantageous partnerships.

All funded research projects are less than a few months old but some initial progress reports are already being received. We intend to release information about the progress of projects as early as possible.

It has been a pleasure to work with the Foundation's Chairman and Board of Directors during the year and I thank them for their support and guidance. I also wish to thank the Foundation's staff, especially Ms Cynthia Mrigate who has been a tower of strength as the Project Administrator.

CAROL BATE
Chief Executive Officer

STRATEGIC OVERVIEW

Origins

The Gardiner Foundation was formed in October 2000 to manage the investment of funds for the benefit of all sectors of the Victorian dairy industry and dairying communities. The Foundation's assets of over \$60 million came from the sale of Victorian dairy industry owned assets and brands including Big M, Farmhouse, Skinny and Rev.

The Foundation is named in honour of Geoffrey Gardiner, a Victorian dairy farmer and prominent industry leader, who passed away in 1999. Through Mr Gardiner's name, the Foundation aims to inspire dairying families to continue to focus on their future with pride and purpose.

Purpose

The Foundation's clearly established purpose is to improve the international competitiveness of the Victorian dairy industry by providing funding to projects for:

- Research, development, extension, technology transfer
- Education, training, skill development
- Projects benefiting Victorian dairy communities
- Other activities which improve dairy industry productivity and competitiveness in accordance with the *Victorian Dairy Act, 2000*.

Operating Principles

- The Foundation, through its membership, will be an integral part of the dairy industry.
- All funding decisions will be taken pro-actively in the best interests of the industry using formal rules and procedures and a principle of care.
- The Foundation is an enabling organisation and does not directly provide services.
- Foundation staffing and administration costs will be the minimum practicable.
- Management of the Foundation's Capital will be outsourced to reputable fund managers.
- Investment and funding decisions will, as far as practicable, maintain the Foundation's Capital base in real terms.
- The Foundation relates to Victoria, but parochialism will be avoided in the industry's best interests.
- Foundation members will be consulted in the business planning processes of the Foundation.

Funding Strategies

Research – An extensive portfolio with a mixture of short and long term horizons. Projects are selected for immediate benefits or long term

perspective of providing enduring competitive advantage. Funding reflects the nature and opportunities offered by individual projects and is contingent on leverage and achievement of documented milestones.

Education – A coordinated program building on work already undertaken by other providers. Funding aims to ensure that the necessary quality and range of skills will be available in the future to all levels of the industry. It will also assist the farm sector to understand the changes ahead, their practical and financial impact, and position those in the sector to make informed decisions.

Dairy Community Support Projects – A scoping study will assist the Foundation to identify and support projects that fit with its overall purpose to support dairy communities. It is envisaged that a diverse range of family support, community change, education, regional development and infrastructure programs may be considered.

Extension – Continuation and long term encouragement and assurance to the existing successful extension programs – in particular Target 10 and the Regional Development Program. Potential benefits from additional funding for technology transfer will also be evaluated.

Critical Success Factors

1. Achieving the purpose

- Achievement of planned funding program
- Evaluation of outcomes
- Review of long term directions

2. Working relationships with the key constituents.

- Collaboration and interfaces with relevant external groups
- Non-financial contributions to industry and community development

3. Processes for project funding and assessment.

- Application requirements specified
- Assessment processes
- Communication processes

4. The development of a communication network

- Involving and informing industry members and broader dairy communities

5. An efficient administrative structure.

- Administration, monitoring and governance processes

6. Assuring an on-going income stream.

- Strategies to manage invested capital reserve
- Intellectual property protection and leverage
- Level of support from commercial organisations.

CASE STUDIES

The Gardiner Foundation's complete portfolio of small projects is listed later in this Report. The following pages highlight a selection of projects to illustrate their diversity and relevance to the dairy industry.

MANAGEMENT OF DAIRY FEEDPADS ON IRRIGATED FARMS

Contact:

Milk supply in the Murray Dairy region is expected to double by 2010 as average herd sizes grow. The usage of land and water for dairying however, is unlikely to grow at anywhere near the same rate. The additional production is expected to come from improved efficiency and more intensive dairy farming.

Maurice Incerti

Feedpads will play a critical role in intensive dairying and this project is developing best practice guidelines for their use. The guidelines will assist consultants, farmers and regulatory authorities to strike a balance between dairy production, livestock health, environmental protection and sustainability.

Murray Dairy

**Gardiner
Foundation
Funding**

A steering committee was established to oversee development of the guidelines made up of local government, industry, farmers, Government, the Environment Protection Authority (EPA) and Catchment Management Authority (CMA) representatives.

\$23,000

Dairy farmers' interest has exceeded expectations and they are actively downloading copies of the Dairy Cattle Feedpad Guidelines already established for the Goulburn Broken CMA at www.gbcma.vic.gov.au.

DEVELOPING OPTIONS FOR GIPPSLAND DAIRY FARMERS

Contact:

A Rural Financial Counselling body known as the Gippsland Farmers Support Group has organised a series of free seminars entitled 'Your Options – Dairy Farming and Beyond.' The seminars focus on issues facing dairy farmers from mid-career to retirement and examine the full range of options from getting bigger to selling up.

**Wilma Western
President –
Gippsland
Farmers
Support Group.**

The Gardiner Foundation has assisted with funding for the seminars and enabled the organisers to attract the best possible speakers. Organisations providing speakers included the Australian Dairy Corporation, National Australia Bank, Rural Finance Corporation, Rural Financial Counsellors, Farm Consultants and farmers themselves.

**Gardiner
Foundation
Funding**

\$22,000

Groups of 18-20 have attended each seminar to date and have been very positive in their comments. A major benefit gained from the seminars was simply an understanding of the range of assistance and advice that is already available. Many participants were keen to arrange follow up assistance from the Rural Finance Counsellors and believe they now have greater confidence to seek out and use these services to assist them with their decision making.

MANAGING FOR PRODUCTIVITY ON IRRIGATED FARMS

Contact: The ongoing quest for greater productivity on irrigated dairy farms is leading to closer management of all the factors involved in production. The amounts of pasture and fodder plants produced and eaten, soils, and management practices for irrigation water, all need to be considered.

**Dr Kerry Greenwood
DNRE,
Kyabram Dairy
Centre**

A project at the Kyabram Dairy Centre is taking a holistic view of the total system in terms of the major nutrient pools in herbage and soil. Researchers are developing nutrient budgets using measurements of the amount and quality of forage produced and a knowledge of soil physical properties and water relations through the soil profile.

**Gardiner
Foundation
Funding**

They hope to eventually use the information to help farmers make better nutrient management decisions. Some key considerations include the use of sprinkler irrigation to prevent water logging, nitrogen fertiliser to replace amounts removed in harvests, and the return of 25% of the forage dry matter to replace organic matter in the soil.

\$78,796

The project is also looking at the economic issues of implementing intensive soil management on dairy farms as well as the off-site impacts of nutrients in run off water. The Gardiner Foundation funding will provide resources for a scientist to undertake this nutrient study.

SIZE DOESN'T MATTER – OR DOES IT?

Contacts: Dairy farming is continually under pressure in a highly competitive business environment. Farm gate prices don't rise at anywhere near the rate of input costs. Learning how to deal with the cost price squeeze is urgent for at least half of all Victorian dairy farmers, particularly those whose operations produce less than 40,000 kg of butterfat each year.

**Bev Phelan
GV Agcare Inc.**

The Foundation has provided funding to a northern Victorian group for a project to help small dairy farmers understand the impact of the cost price squeeze on their future and to make informed decisions about their best course of action.

**Maurice Incerti
Murray Dairy
Inc.**

**Gardiner
Foundation
Funding**

Five seminars in northern Victoria attracted over 250 participants including about 90 farming women. University economists and farm consultants told the farmers that to stand still was to go backwards. They said that the key factors are top management performance, a proper understanding of real income needs, sensible attitudes to debt and to risk, and sound investment decision making.

\$78,433

Information kits and photo/story exhibits were provided at the seminars and participants were asked what other information they would like to have. Their responses will be used in discussions between the seminar organisers and key industry representatives.

COOPERATIVE LEADERS STUDY TOUR 2002

Contacts:	Gardiner Foundation funding enabled two UDV nominations to be part of an international tour by some of Australia's leading dairy cooperative leaders. Tour participants came from Bega Cheese, Norco, Warrnambool and the Challenge Dairy Cooperative in WA.
John O'Connor DRDC Ian Webb UDV	The tour provided the opportunity to examine co-operative structures and management issues in Holland, Denmark, the UK, Ireland and USA. The group found that cooperatives worldwide face generally similar issues and problems. Australian cooperatives are as good as elsewhere although the group saw ways of structuring cooperatives and raising capital that have not been tried in Australia.
Gardiner Foundation Funding	The two participants nominated by the UDV were Michael Trevaskis and Terry Hehir. As prospective directors, the tour was an invaluable education experience for them and provided the opportunity to form linkages with groups from other regions.
\$16,000	Dairy cooperatives in Victoria can expect to benefit from the heightened interest that tour participants will have to pursue leadership roles in cooperatives.

COW TIME

Contact:	CowTime is national dairy industry project aimed at making milking easier. It encompasses milk harvesting research and extension dealing with all parts of the milking process from when the cows leave the paddock, right through to cleaning up at the end.
Rob Greenhall	Development of extension products began in June 2001 and is continuing with a launch to industry expected in late 2002. The project can already look back at some important achievements.
National Milk Harvesting Centre Ellinbank	<ul style="list-style-type: none"><input type="checkbox"/> An industry advisory committee was formed, chaired by Gippsland dairy farmer Chris Griffin.<input type="checkbox"/> A total of \$1.7 million in funding has been secured from 22 contributing organisations including the Gardiner Foundation.<input type="checkbox"/> 'Milking Monitor', an easy-to-use tool for farmers, has been developed to remotely evaluate the performance of their milking system.<input type="checkbox"/> Two pilot trials of the CowTime course for farmers have been completed.<input type="checkbox"/> Logos and other branding materials have been developed for CowTime.<input type="checkbox"/> Filming of six instructional videos.<input type="checkbox"/> Creation of the website (www.cowtime.com.au).
Gardiner Foundation Funding	
\$90,000 over 3 years	

DEVELOPING INDUSTRY AND COMMUNITY LEADERS

Contact:

**Heather
McNaught
Coordinator,
Loddon Murray
Community
Leadership
Program**

***Gardiner
Foundation
Funding***

\$10,000

The Gardiner Foundation has provided funding of \$10,000 to help the Loddon Murray Community Leadership Program work towards greater competitiveness and productivity for the dairy industry in Victoria. They hope to achieve this through developing leadership and community capacity for the industry in the Loddon Murray Region and beyond.

Participants from a range of rural sectors, including two dairy farmers, Kurt Major and Jamie Kendrick have established networks and communication channels between sectors. They have attended a range of educational workshops, seminars and field trips.

Feedback from participants has been positive noting improved understanding of the political landscape and greater personal confidence in communication, management and goal setting.

“The course was terrific and I have more confidence in public speaking and dealing with people,” Mr Major said. It is believed that the confidence gained through these courses will inspire participants to become more involved and to initiate positive change within their communities.

EFFECTIVE MANAGEMENT OF DAIRY EFFLUENT

Contacts:

**Tim Nelson
Executive Officer,
WestVic Dairy**

***Gardiner
Foundation
Funding***

\$80,000

Environmental legislation requires dairy farmers to contain all dairy shed effluent within their farm boundaries and prevent movement of effluent through the soil to ground water. Uncontrolled runoff is thought to contribute to pollution of ground water and stream flows, as well as blue-green algae blooms.

There is a lag however, between the development of effluent management technology and its implementation on farms, with many not yet having a working system. Some reasons for the slow adoption of known practices have now been identified and incorporated into a project jointly funded by the National Heritage Trust, Gardiner Foundation, EPA, the Corangamite and West Gippsland CMAs, WestVic Dairy and the Department of Natural Resources and Environment (DNRE).

The project uses learning groups and written guidelines for farmers and approval/accreditation systems for contractors. The aim is to have a further 10% of Victorian dairy farms with new effluent management systems as a result of direct involvement with the project's learning groups.

Gardiner Foundation funds provide for the employment of a Project Manager to oversee the program on a State wide basis supported by a steering committee with members drawn from the EPA, Corangamite and West Gippsland CMA's, WestVic Dairy and DNRE.

FRUCTAN BIOSYNTHESIS IN GRASSES

Contact:

**Prof. German Spangenberg
Director,
Plant Biotechnology
Centre**

**Gardiner
Foundation
Funding**

**\$69,000 over 3
years**

The Cooperative Research Centres, generally known as CRCs, bring together researchers from universities, CSIRO and other government laboratories, and private industry or public sector agencies, in long-term collaborative arrangements. The Gardiner Foundation is providing funding for a PhD fellowship in the CRC for Molecular Plant Breeding research team.

The focus of the research is the genetic manipulation of fructan biosynthesis in grasses. Fructans are a class of highly water-soluble sugars that play a key role in the nutritive value of pasture grass species. High amounts of fructans have been found to accumulate in ryegrasses and fescues under environmental stress and this observation offers interesting possibilities for plant genome manipulation.

The Gardiner Foundation funding will allow current findings at the laboratory stage to be taken to glasshouse and field conditions for testing. The benefits to the dairy industry include the development of technologies and training of PhD students to work on stress tolerant pastures with enhanced nutritional value.

CASEIN COMPLEXES WITH MINERAL IONS FOR DENTAL CARE

Contact:

**Dr. Laila Huq
Research Fellow,
School of Dental
Science, The
University of
Melbourne**

**Gardiner
Foundation
Funding**

\$22,994

Cooperation between university researchers and the Victorian dairy industry has developed a bioactive substance from the casein in cow's milk able to re-mineralise teeth which have had calcium levels reduced as a result of the action of lactic acid produced by food. The compound is known as CCP-ACP (Recaldent™) and strengthens teeth by delivering calcium and phosphate (the building blocks of tooth enamel) in a unique soluble and safe form to the enamel.

The Gardiner Foundation shares in royalties from the intellectual property in the commercial product Recaldent.

A new project funded by the Gardiner Foundation aims to examine the action of CCP-ACP in order to further improve its efficacy in dental care and to develop additional commercial applications for these casein complexes. The new project will look specifically at the affinity of casein phosphopeptide (CPP) towards other mineral complexes at the molecular level.

SMALL PROJECTS FUNDING 2001-2002 (ROUND 1)

The following is a complete listing of small projects awarded funding by the Gardiner Foundation in the first round of decisions announced in February 2002.

Project No.	Organization/Contact	Project title
GF1/001	Australian Nuffield Farming Scholars Association	2002-2005 Australian Nuffield Farming Scholarships
GF1/002	The University of Melbourne Department of Veterinary Science	A comparative study of the reproductive performance of crossbred (Holstein x Jersey) dairy cows
GF1/005	Australian Dairy Conference	Australian Dairy Conference
GF1/013	Kondinin Group Inc.	Cooling and economic performance of natural versus induced draft cooling towers
GF1/014	United Dairyfarmers of Victoria	Cooperative Leaders Study Tour 2002
GF1/015	Gipps Dairy Board Inc	Coordinated support for young dairy farmers in Gippsland
GF1/016	Department of Natural Resources and Environment National Milk Harvesting Centre	Cow time
GF1/018	United Dairyfarmers of Victoria	Dairy – Employment for the Future
GF1/021	Australian Rural Leadership Program	Dairy Industry leadership development through the Australian Rural Leadership Program
GF1/022	Dairy Industry Association of Australia Inc (DIAA)	Dairy Science World Series – Cheese Science 2002 Conference
GF1/025	Gippsland Farmers Support Group Inc	Developing options for Gippsland dairy farmers
GF1/027	Murray Dairy Inc	Development of best management practice for dairy cattle feedpads on irrigated dairy farms
GF1/028	Deakin University Geelong	Does milk fortified with milk minerals (calcium) and vitamin D improve bone health in older men?
GF1/030	WestVic Dairy Inc	Effective dairy effluent – Making it work for you
GF1/035	Loddon Murray Community Leadership Program	Forward thinking: Developing leaders in the Victorian dairy industry and dairy communities
GF1/036	Department of Natural Resources and Environment Plant Biotechnology Centre	Functional genomics of fructans biosynthesis in grasses
GF1/039	The University of Melbourne Institute of Land and Food Resources	Identification and function of proteins purified from dairy starter-culture bacteria
GF1/040	Department of Natural Resources and Environment Kyabram Dairy Centre	Improved soil and irrigation management for increased forage production
GF1/041	Gippsland Rural Financial Counselling Services Inc	Improving options for dairy farmers in Gippsland – Understanding farm labour

Project No.	Organization/Contact	Project title
GF1/042	Department of Natural Resources and Environment Kyabram Dairy Centre	Improving the adoption of pasture renovation in northern Victoria
GF1/045	The University of Melbourne The School of Dental Science	Investigation of the casein phosphopeptide β -casein (1-25) interacting with the mineral ions in amorphous calcium phosphate and calcium fluoride phosphate
GF1/046	Murray Dairy Inc	Irrigation Risk Management – Tailoring water entitlement to suit your business
GF1/047	The University of Melbourne Institute of Land and Food Resources	Learning resource material to support the flexible delivery of Diploma of Agriculture
GF1/049	Macalister Research Farm Cooperative Ltd	Maximising productivity and profitability under heavier stocking intensities and high input management systems
GF1/051	The University of Melbourne Glenormiston College	More efficient oestrus detection in high-producing Holstein and Jersey cows without working harder
GF1/052	Victorian Farmers Federation	Practical health and safety management for dairyfarmers
GF1/055	Murray Dairy Inc	Size doesn't matter – or does it?
GF1/056	The University of Melbourne Institute of Land and Food Resources	Studies of antimicrobial and antiviral properties of bovine milk proteins and peptides
GF1/059	Department of Natural Resources and Environment Kyabram Dairy Centre	Tactical decision support systems for the dairy feedbase
GF1/060	The University of Melbourne Institute of Land and Food Resources	Tailoring cheese flavour by understanding the biochemistry of adjunct bacteria present during maturation of cheddar cheese
GF1/061	Food Science Australia	Technology for determination of authenticity of milk and milk ingredients based on stable isotope ratios
GF1/062	Department of Natural Resources and Environment	The Annual Dairyfarmer Statewide Conference
GF1/065	Food Science Australia/CSIRO	The health promoting aspects of cheese as a source of fat in the human diet relative to alternative fat sources
GF1/067	Department of Natural Resources and Environment Victorian Institute of Animal Science	Variation in proteins of high value in milk
GF1/068	Industry Steering Committee Advanced Diploma of Dairying	Creation of bursaries to support the industry developed program the <i>Advanced Diploma in Dairying</i>

SMALL PROJECTS FUNDING 2001-2002 (ROUND 2)

The following small projects were awarded funding by the Gardiner Foundation in the second round of decisions announced in August 2002.

Project No.	Organisation / Contact	Project Title
GF2/007	The University of Melbourne, Industry Steering Committee Advanced Diploma in Dairying	Creation of bursaries to support the industry developed program Advanced Diploma in Dairying
GF2/011	The University of Melbourne, ILFR Gilbert Chandler Campus	Development of Flexible learning systems for the delivery of the Diploma of Food Technology (Dairy) in the Dairy Processing Industry
GF2/017	Swan Hill and District Rural Women Inc	European Study Tour and Third Congress for Rural Women in Spain
GF2/018	Queensland University of Technology, School of Life Sciences	Expression of biologically active peptides and proteins from genetically modified lactobacilli
GF2/020	Department of Natural Resources and Environment - Attwood, Victorian Institute of Animal Science	Identification of novel bioactives expressed in tamar wallaby milk
GF2/023	Murray Dairy Inc	Integration of an Environmental Audit and Certification System for irrigated dairy farms into milk quality assurance programs
GF2/024	WestVic Dairy Inc	Investigating dairy farmers health and farm(er) injury patterns
GF2/027	Department of Natural Resources and Environment, Agriculture Victoria Ellinbank	Meeting the demand for high quality colostrum
GF2/032	Victorian Dairy Products Association	Prediction of human resource needs of the Australian dairy industry post farmgate supply chain
GF2/033	Advanced Food Technologies	Preliminary evaluation of plants with milk production promoting capacity in dairy cows
GF2/034	Australian Food Ingredient Applications Centre Limited	Producing novel milk powders through deployment of advanced process technologies
GF2/038	The Goulburn Murray Leadership Program, Fairley Leadership	Sponsorship of 2 program places in the Fairley Leadership Program for individuals involved in the dairy industry
GF2/040	DemoDAIRY Co-operative	Support officer for DemoDAIRY
GF2/041	Department of Natural Resources and Environment - Warrnambool	Sustainable and economic systems for the re-use of dairy effluent for forage production
GF2/043	Department of Natural Resources and Environment, Pastoral and Veterinary Institute	The measurement of feed conversion efficiency in dairy cattle
GF2/044	Department of Natural Resources and Environment, Agriculture Victoria Ellinbank	The Milk Business - Managing Milk Production Systems for Profit

A FORWARD LOOK

The 2002-2003 financial year will see a continuation of Gardiner Foundation funding for small projects to assist the Victorian dairy industry. Most of the processes used to attract and evaluate small project applications are now well established and have been widely communicated to potential applicants. For the foreseeable future, the Foundation expects to be in a position to offer new funding for small projects on at least an annual basis.

A major task will be to finalise decisions on the first round of major research and development projects. These projects will represent very significant investments by the Foundation with financial support of at least \$250,000 annually for up to five years for individual projects. The decision making process will involve judgments not only about the quality of the science proposed, but also about the credibility of business plans that accompany the submissions. Final decisions should be announced late in 2002 after which we will review the selection processes and make improvements where needed before the cycle begins again in what we intend to be an annual process.

As internal processes for project funding become well established, the Foundation's focus will move to monitoring and evaluation. We recognise that results arising from projects supported by the Foundation will be but one of many influences on farm productivity and competitiveness. The difficulty therefore of measuring the real contribution from project investments will be very great indeed. Nevertheless, the Foundation must have criteria against which it can assess its performance. In the short term, we will look closely at the experience of the Department of Natural Resources and Environment and their use of Bennett's Hierarchy.

The coming year will also see arrangements for community development funding by the Foundation. A scoping study report as mentioned earlier, will contain the views of a range of community representatives and industry and government people who have a special interest or are involved in community development. The study will examine approaches taken elsewhere by government departments, private companies and philanthropic organisations. The Foundation expects that the options provided will have the support of all stakeholders and the Minister for Agriculture as well as potential co-funders.

Close attention in the coming year will be given to keeping stakeholders informed about the Gardiner Foundation's activities. This will be achieved by fostering active relationships with Foundation members (United Dairyfarmers of Victoria, Milk Processors Association of Victoria Inc. and the Victorian Dairy Products Association Inc.) as well as research agencies, government and community development organisations. In addition, we will actively work in partnership with the proposed new industry organisation – Dairy Services Australia. It will be a priority for us to communicate project results as widely as possible as they become available. In this way we will seek to ensure that the benefits of Gardiner Foundation funding are shared by the entire dairy industry.

ABOUT THE GARDINER FOUNDATION

The Gardiner Foundation provides funding to projects that improve the international competitiveness of the Victorian dairy industry and the well being of dairy communities. Projects should provide a benefit to at least one major sector of the dairy industry and have clear objectives and measurable outcomes.

Small Projects

The Geoffrey Gardiner Dairy Foundation provides funding for individual projects up to the value of \$25,000, although in special circumstances funding above this level to a maximum of \$100,000 may be considered. Projects attracting funding from other sources are preferred and applicants are encouraged to seek additional funds from other sources. Funds are made available to groups or organisations that lodge applications deemed worthy of support. Funds are not made available to individuals.

Major Research and Development Projects

Applications are open to groups or organisations involved directly with an innovative, integrated research and development program. The projects may include elements relating to extension, technology transfer, education, training and skills development. Eligible projects would normally require a contribution from the Foundation that exceeds \$250,000 per annum, over three to five years.

The Foundation expects that it will fund up to 50 percent of the total costs of the project. Therefore, projects will need to incorporate at least one other additional funding source from commercial organisations, industrial groups or other public and private funding agencies.

Community Development Projects

The Gardiner Foundation will allocate \$3 million over three years for activities that support dairy communities. The term community can refer to a self-defining geographic region or community of shared interest which reflects real life relationships. Local residents need to be involved in defining what social, environmental or economic would best suit the community's interests. Detailed guidelines will be available at the Foundation's website from late 2002.

CONTACTS

The Gardiner Foundation has an up to date web site that offers full information about the Foundation itself, as well as forms and guidelines for applications for funding. Visit our site at:

www.gardinerfoundation.com.au

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