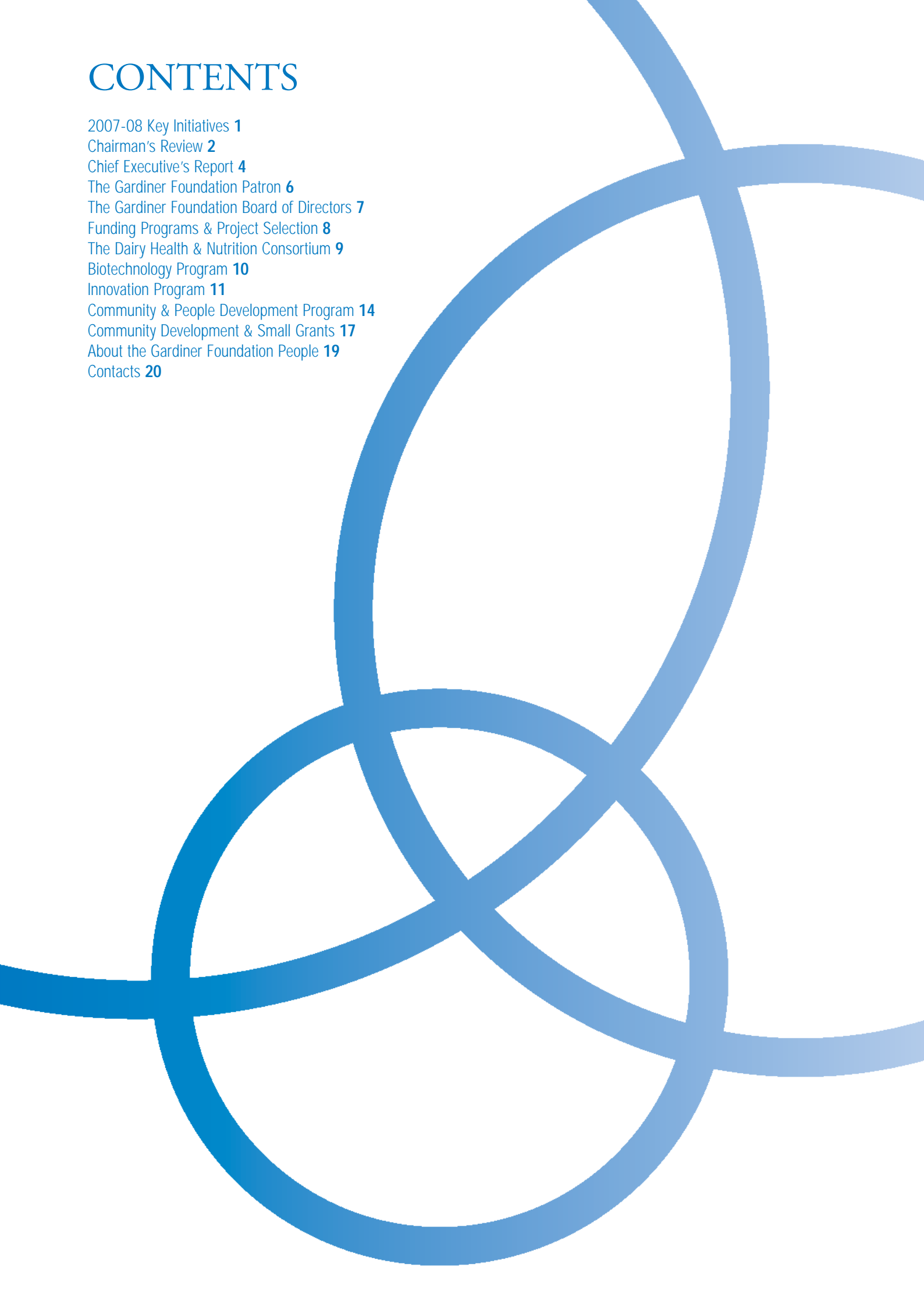




GARDINER FOUNDATION
ANNUAL REVIEW 2008

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2007-2008 KEY INITIATIVES

- Total funding dollars at \$6 million exceeded 2006/07 level, despite weakness in world capital markets.
- Drought response program continued in 2008 with new funding of \$600,000 for short term support and attention to programs to improve sustainable farming in times of climate change.
- Dairy Health and Nutrition Consortium officially launched and operational with inaugural \$4.6 million portfolio of projects including \$1.6 million Gardiner investment.
- Negotiations underway to expand the Community and People Development Program to include community strengthening.
- New Innovation and Biotechnology funding of \$3.34 million to target both on-farm and post-farm technology development.

CHAIRMAN'S REVIEW 2008

I am delighted to present this Annual Review of operations for the Geoffrey Gardiner Dairy Foundation for 2008. At the time of writing, prices for dairy products are strong and most Victorian dairying regions are enjoying improved seasonal conditions.

Drought unfortunately continues to cast a shadow over the industry in northern Victoria where the availability of irrigation water is totally uncertain. Nearly every farmer in the region has been affected in some way and it is estimated that over 70% have needed to increase their level of debt for short term operations or for capital investment.

As detailed in the Chief Executive's report, drought response has continued to be a priority for the Foundation and funding of \$600,000 was directed to a range of drought response initiatives. Our response offered immediate support for dairy farmers managing the current situation but also addressed longer term options to increase the ability of dairy farmers to adjust to long term changes in climatic conditions.

The Foundation's total investment on behalf of the industry in the past year amounted to \$6 million which exceeded 2007 project commitment levels mainly due to the Foundation's additional drought related commitments.

Since inception, the Gardiner Foundation has committed in excess of \$25 million in all funding streams toward projects having a total value of \$114 million.

In terms of individual programs, 18 new research and development projects were funded within the Innovation and Biotechnology Programs sharing over \$3.3 million from the Foundation and representing total investment by all partners of \$12.1 million. Importantly, we have maintained a good balance in our research portfolio between on-farm and post-farm gate technologies.

The Dairy Health and Nutrition Consortium is a new industry-led initiative aimed at developing research capabilities for the dairy industry and delivering science based messages for the wider community on health and nutrition aspects of dairy foods.

After a formal launch by the Governor of Victoria in February 2008, the Consortium commenced operations in April this year and has an initial research portfolio of \$4.6 million, including Gardiner's investment of

\$1.5 million, over the first three years. The Consortium is a unique coming together of the major dairy manufacturing companies in Victoria with Dairy Innovation Australia to work in the best interests of the industry as a whole.

I am proud of the role played by the Foundation in establishing the Consortium and believe that it has already become an essential and valuable new development for the dairy industry that will position its products to take advantage of an increasingly health and nutrition conscious consumer market.

The Foundation's Community and People Development Program allocated more than \$629,000 to 16 new projects during 2008. An impressive range of issues is being addressed from training opportunities for young people in dairying communities to new templates for share farming agreements.

The Foundation is increasingly committed to its role in improving the economic, social and cultural conditions of small rural communities in dairying districts of Victoria. Dairy farming is undertaken by people living in small communities and the Foundation recognises the importance of maintaining critical infrastructure and building the capacity of local people to manage the changes affecting them.

We are confident that we are able to fill a critical need through work for and with communities. Further, we are actively exploring, with Government and other Agencies, opportunities to expand the extent and impact of our Community and People Development program.

The past twelve months has been marked by extreme volatility in world money markets. The impact has been felt by organisations everywhere and in this regard the Foundation has not been spared. However, the return on the Foundation's capital fund has outperformed the ANZ Trustees capital benchmark, and income received has exceeded our budgeted target for the year. After allowing for all disbursements, the value of the Foundation's capital base was \$88.19 million at 30 June 2008.

Our conservative investment strategy has delivered a result that ensures that funds available for investment by the Foundation in the coming year will be at least equal to 2007/08.

THE FOUNDATION IS INCREASINGLY COMMITTED TO ITS ROLE IN IMPROVING THE ECONOMIC, SOCIAL AND CULTURAL CONDITIONS OF SMALL RURAL COMMUNITIES IN DAIRYING DISTRICTS OF VICTORIA.



I wish to record my appreciation to the Foundation's Member organisations for their support and cooperation during the past year. I am grateful also to dairying communities and the research community for their continuing positive response to the Foundation's work.

Finally, I would like to acknowledge the support and cooperation of my Board colleagues and the Chief Executive and his staff for their contributions during 2007/08.

A handwritten signature in blue ink, consisting of a stylized first name and a last name, followed by a horizontal line underneath.

Chris Nixon
CHAIRMAN

The Foundation's goal is to be a premier funding body, delivering measurable and sustainable benefits to all segments of the Victorian Dairy Industry and its people, for the benefit of the wider community.

Strategies to realise the goal revolve around research and development to improve industry productivity together with a strong emphasis on addressing critical issues facing dairying communities.

CHIEF EXECUTIVE'S REPORT

Engaging with industry

As I reported last year, the Foundation regards its engagement with the Victorian dairy industry as a priority. Partnerships and networks with industry stakeholders enable us to gain the insights and views needed to make sound investment decisions.

The Foundation's directors, executive and program managers occupy a variety of positions on industry boards, committees and other advisory bodies. Collectively, we have extensive links with State and Local Government, community and science organisations and the tertiary education sector.

Examples of our involvement include Dairy Innovation Australia, the National Dairy Alliance, Dairy Moving Forward, Food Science Advisory Committee as well as Water Boards and others. Through these linkages and industry relationships, the Foundation has a unique opportunity to apply its limited resources for maximum impact.

Drought response

The Foundation is, by any measure, an agile investor with minimal constraints on its activities. Its funding decisions can be made very quickly, enabling it to be highly reactive and complementary to the work of other funding organisations.

This agility was evident during the Foundation's drought response late in 2007 when decisions and commitments of \$600,000 were finalised within a two week period.

Support for the VFF drought response website was doubled from the previous year and nearly \$90,000 was allocated in collaboration with Dairy Australia to support part time positions of regional drought coordinators. Working funds were also made available to enable Murray Dairy, GippsDairy and WestVic Dairy to arrange targeted activities to support farmers in managing the impact of drought.

The Foundation also partnered with the Foundation for Rural and Regional Renewal to fund and administer vouchers for distribution to dairy families redeemable at local shops.

The Foundation maintains a careful balance between funds provided for immediate support to dairy farmers affected by drought, and funding for forward looking initiatives that relate to dairy farming in a new, low water environment. Two thirds of our drought response funding this year was for the latter category of development projects.

These included assistance through Dairy Australia's Grains2Milk project by co-funding three projects involving research and extension of partial mixed ration dairy systems and tools to help farmers make grain/concentrate and fodder purchasing decisions. The purpose is to increase dairy farmers' resilience and adaptability to deal with climate variability in future years.

Another forward looking initiative was the award of Gardiner Dairy Scholarships to help with the costs faced by student children who need to leave home for university studies. The scholarship winners were announced at a reception at Government House in Melbourne in February 2008.

Students selected to receive the scholarships were outstanding both academically and in their community lives. More importantly, the recipients all expressed a clear commitment to regional Victoria and their intention to use their new skills for positive change.

Tuning into the 2020 summit

An important national event this year was the Australian 2020 Summit held in Canberra in April. Since the summit, directors and staff at the Foundation have carefully examined the key outcomes for agriculture and the environment and reflected on how closely they match our portfolio of projects.

In fact, the match is very good. The Foundation's Innovation program to develop technologies for greater industry productivity is well aligned with the summit's call for annual productivity gains from agriculture of around 3.5%. Only through greater prosperity will dairy farmers be in a position to respond effectively to the challenges posed by climate change.

...MAJOR FUNDING HAS BEEN DIRECTED TOWARDS THE DEVELOPMENT OF SUB-SURFACE IRRIGATION TECHNOLOGY FOR IRRIGATED DAIRYING, MINIMISATION OF WASTE STREAMS FROM DAIRY PROCESSING...



On the issues of sustainable water use and the reduction of carbon emissions and other wastes, the Foundation has already made key investment decisions. In particular, major funding has been directed towards the development of sub-surface irrigation technology for irrigated dairying, minimisation of waste streams from dairy processing, and the reduction of methane emissions from dairy cattle.

The summit also pointed to the need for small rural communities to be supported and strengthened. This has been the purpose of our Community and People Development program for the past eight years and will be extended during 2008-09 by including community strengthening programs in collaboration with new partners.

Dairy Health and Nutrition Consortium

The Dairy Health and Nutrition Consortium involving the Foundation, Dairy Innovation Australia and six member companies was launched by the Governor of Victoria in February 2008. A research portfolio targeting obesity and lifestyle related disease was commenced in April 2008 following a strategic analysis and industry consultation.

Finance and administration

The Foundation's statutory audit of its financial statements has been performed by Ernst & Young for the financial year to 30 June 2008.

Finally, I have once again thoroughly enjoyed the experience of working with the Foundation's Chairman and Board of Directors and other stakeholders. I thank them for their support and inspiration during the year.

I also wish to thank all of the Foundation's staff for their valuable contributions during 2007-08.

A handwritten signature in blue ink that reads "Paul Ford".

Paul Ford
CHIEF EXECUTIVE

In 2008 the Dairy Industry Association of Australia recognized Paul's distinguished career in the dairy industry by awarding him the John Bryant Memorial Gold Medal. This prestigious award celebrates individuals who have made an outstanding and sustained contribution to the Australian dairy industry, marked by achievements and strong leadership.



THE GARDINER FOUNDATION PATRON



Professor David de Kretser AC Governor of Victoria
PATRON OF THE GEOFFREY GARDINER DAIRY FOUNDATION LIMITED

Professor David de Kretser's academic career has bridged medicine and anatomy having held positions at Monash University as Professor and Chairman of Anatomy, Founding Director of the Monash Institute of Reproduction and Development and Associate Dean for Biotechnology Development.

He is a Fellow of the Royal Australasian College of Physicians, the Australian Academy of Science and the Australian Academy of Technological Sciences and Engineering. He was made an Officer of the Order of Australia in 2001 and a Companion in the Order of Australia in 2006, and received the Centenary Medal in 2003.

Reception at Government House, February 2008

Launch of a multi-million dollar Gardiner Foundation research initiative, the Dairy Health and Nutrition Consortium, implemented through Dairy Innovation Australia at Werribee. The Governor of Victoria, Professor David de Kretser AC, presenting a plaque to Barry Irvin, Chairman of Bega Cheese/Tatura Milk, one of the participating companies in the Consortium. Mrs Jan de Kretser (background).

Other participating companies are: Fonterra Australia, Murray Goulburn Co-operative, Parmalat Australia, Warrnambool Cheese and Butter and Dairy Australia.



Gardiner Dairy Scholarships

The Foundation introduced a Dairy Scholarships Program in 2008 to assist dairy farming families impacted by drought with the costs associated with their children entering first-year under-graduate studies at university. The inaugural recipients were officially announced at the Government House reception.

(L. to r.) Professor Margaret Alston (Charles Sturt University, Wagga Wagga, and a member of the Gardiner Foundation Community Development Selection Panel), Tammara Leatham (Orbost), Emma Bruns (Leitchville), Laura Peters (Tallandoon), Professor David de Kretser AC, Governor of Victoria, Chris Nixon (Chairman, Gardiner Foundation), Fiona Pyke (Girgarre) and Rebecca Sexton (Dingee).



THE GARDINER FOUNDATION BOARD OF DIRECTORS

Chris Nixon CHAIRMAN

Chris has had a 35 year career in various engineering, manufacturing and general management roles, including postings in North America and Europe, culminating in appointment as Managing Director of the international Containers Packaging group. He is a former Chairman of Bayside Trains and Board Member of Dairy Food Safety Victoria and acts as a private adviser.

Max Fehring DIRECTOR

Max has been a practising dairy farmer most of his working life. He currently operates a 350 cow dairy farm in partnership with his wife Denise. He has been a member of the United Dairyfarmers of Victoria since 1977 during which period he served as a Central Councillor (1980 – 1997) and as President (1997-2001). He has a special interest in water supply and policy and served as a member of the Torrumbarry Water Services Committee. He was Chairman of the Victorian Farmers Federation Water Committee and held a Churchill Fellowship in 1997 (Water Studies).

He is currently a Councillor, Shire of Gannawarra. He previously served on the Boards of Grampians Wimmera/Mallee Water and the Australian Dairy Herd Improvement Scheme. He is a Fellow of the Australian Institute of Company Directors (AICD).

Ian MacAulay DIRECTOR

Ian is an Agricultural Science graduate from The University of Melbourne and currently operates three dairy farms with a total of 900 cows. He was the Gippsland Regional Agronomist with Pivot Fertilisers for 12 years. He was elected to the Board of Murray Goulburn Co-operative in 1991, became Deputy Chairman two years later and has been Chairman since 1998. He is a Fellow of the Australian Institute of Company Directors (AICD).

Dr Graham Mitchell AO DIRECTOR *RDA BVSc PhD FTSE FAA*

Graham is a veterinary graduate and University Gold Medallist of the University of Sydney. He had a distinguished research career in cellular immunology as a scientist at the Walter and Eliza Hall Institute of Medical Research and leading research organisations in California, England and Switzerland. He also served as Director of Research with CSL Limited. Graham is recognised as one of Australia's leading biological scientists. He is an adviser in science, technology and innovation to the Victorian, Tasmanian and Northern Territory Governments and is joint Chief Scientist for Victoria's Departments of Primary Industries and Sustainability and Environment. He is a non-executive director of AgVic Services Pty Ltd, Antisense Therapeutics Ltd, Compumedics Ltd, Adelaide Research and Innovation Pty Ltd, Avipep Pty Ltd and The Walter and Eliza Hall Institute of Medical Research.

Professor Paul J Moughan DIRECTOR *BAgrSc (Hons) PhD DSc FRSNZ*

Paul holds the position of Distinguished Professor at Massey University, New Zealand. He leads the Riddet Institute for innovation in foods and biologicals, one of New Zealand's Centres of Research Excellence. He was previously Foundation Head of the Institute of Food, Nutrition and Human Health and was also Foundation Scientific Director of the Milk and Health Research Centre, a centre focused on scientific research into the nutritional and health-promoting properties of milk components and dairy products. He is a Director of Meat Biologics Ltd and Speirs Nutritionals Ltd. In 1996, he was awarded a Doctorate of Science for distinguished contributions to Science and in 1997 was awarded a Personal Chair at Massey University, and elected a Fellow of the Royal Society of New Zealand. He has been a Fellow of the Australia, New Zealand Food Authority, a member of the Scientific Advisory Board of Ralston Purina Ltd (USA) and Chair of the APEC Food Technology Domestic Champions Network.

(left to right) Paul Ford, Chief Executive with Directors Ian MacAulay, Chris Nixon (Chairman), Max Fehring, Graham Mitchell and Paul Moughan



FUNDING PROGRAMS & PROJECT SELECTION

Projects are selected for funding through a competitive, merit-based process focussed on their potential to deliver beneficial outcomes for the Victorian dairy industry, dairying communities and the wider community.

In 2007/08 the Foundation invested in projects selected within its three main funding programs:

- **Innovation**
- **Biotechnology**
- **Community & People Development** - including Capability Building Projects, and the Community Development Small Grants Program (administered by the Foundation for Rural and Regional Renewal).

Funding rounds are advertised in the media and on the Gardiner Foundation website www.gardinerfoundation.com.au.

Project guidelines and application forms can be downloaded from the Gardiner website. During the application process, Gardiner Foundation Program Managers meet with project applicants and advise on the development of project proposals.

For the first time in 2007/08, template project agreements were placed on the website to permit project organisations to review and agree to the content of the model agreement, as part of the application process. This greatly facilitated completion and execution of project agreements, thus minimising delays in commencement of projects.

As part of the Foundation's funding process, applicants are required to submit a business case outlining a **unique proposition**, demonstrating **impact** at farm/factory/community level, a clear **project plan** including timelines for achievement of specific objectives, and details of the **project team** and its capacity to deliver projects on time and on budget.

Applications to each funding program are assessed by a committee comprising expert multi-skilled assessors. Each project is ranked against selection criteria and scores/ranking sheets prepared for review and discussion at a meeting of each selection committee. Recommendations from the selection committees are submitted to the Gardiner Foundation Board for final approval.

Successful and unsuccessful applicants are notified of the outcome of their application and project agreements forwarded for signature within 30 days. Failure to execute agreements within the specified time can lead to withdrawal and re-allocation of funding to other applicants.

Projects are monitored by Gardiner Foundation Program Managers against timelines established in project agreements, and payments are made against delivery of milestones.

Where an independent review of a project is required by the Foundation, it is carried out by independent peer reviewers.

2009 Gardiner Foundation Funding Programs

Details of funding programs, timelines, guidelines and application forms for the 2009 funding round will be available on the Gardiner Foundation website by end November 2008.

Applications open: **Monday 9 February 2009**

Applications close: **Thursday 26 March 2009**

Please visit www.gardinerfoundation.com.au

DAIRY HEALTH & NUTRITION CONSORTIUM

The Dairy Health and Nutrition Consortium (DHNC) is a new industry-led initiative to develop health and nutrition research capabilities for the dairy industry of Victoria. It will also deliver science based messages for the wider community on health and nutrition aspects of dairy foods.

Partners in the Consortium are the Gardiner Foundation, Dairy Innovation Australia Ltd and six member companies - Bega/Tatura Milk Industries Ltd, Dairy Australia Ltd, Fonterra Australia, Murray Goulburn Co-operative Co Ltd, Parmalat Australia Ltd, and Warrnambool Cheese & Butter Co. Ltd.

The DHNC was formally launched in February 2008 and has an inaugural research portfolio of \$4.6 million over the first three years, including \$1.6 million from the Foundation. Work commenced on the research project portfolio in April 2008.

In its initial phase, the Consortium will target obesity and lifestyle related disease. Priorities were established following analysis and industry consultation and a commissioned white paper entitled "Health and Nutrition - building the dairy pyramid" by Professors Nick Gough and Linda Tapsell.

Three of Australia's premier research institutes have been engaged in the program.

Associate Professor Peter Meikle, Professor Paul Nestel AO, Associate Professor Jonathan Shaw and Doctor Jeremy Jowett lead projects at The Baker Heart Research Institute and The International Diabetes Institute. They will investigate the effects of long term consumption of dairy foods and the effects of eating fermented dairy products such as cheese.

Co-Author of the CSIRO Total Well Being Diet and nutrition expert, Associate Professor Manny Noakes leads a team at Food Science Australia's CSIRO Human Nutrition Centre in Adelaide, focussing on health benefits to children of including dairy products in their diet.

Associate Professor David Cameron-Smith and Professor Andrew Sinclair lead two projects at Deakin University examining dairy proteins and the unique properties of dairy fats.

Projects

Project Organisation

Deakin University

School of Nutrition and Exercise Science

PROJECT LEADERS: Professor Andrew Sinclair

Associate Professor David Cameron Smith

Project Title

Real dairy diets for human health

Baker Heart Research Institute

PROJECT LEADERS: Associate Professor Peter Meikle

Professor Paul Nestel AO

Obesity and obesity related disease

CSIRO Human Nutrition

PROJECT LEADERS: Associate Professor Manny Noakes

Dr Jane Bowen

Increasing dairy food consumption in children



At the launch of the Dairy Health and Nutrition Consortium at Government House by Professor David de Kretser AC, Governor of Victoria.

(l to r) Paul Ford (Gardiner Foundation), Barbara Meurer-Grimes, Andrew Donovan, Lesley MacLeod (Dairy Innovation Australia), Paul Moughan (GF), Roger McBean (Parmalat Australia), Barry Irvin, Tony McKenna (Bega/Tatura Milk Industries), Governor of Victoria, Peter Hobman (Murray Goulburn Nutritionals), Neil Kearney (Warrnambool Cheese and Butter), Graham Mitchell (GF), Andrea Tolley (TMI), Isabel MacNeill (Dairy Australia), Chris Nixon (GF), Victoria Landells (Fonterra), Steve Billington (WCBF) and Craig Miller (GF).

BIOTECHNOLOGY PROGRAM

The Biotechnology program aims to develop and maintain a high level research capability in biotechnology for the Victorian Dairy Industry. Biotechnology is a rapidly developing branch of science and technology, and will be the enabler for achievement of breakthroughs in productivity and efficiency for the dairy industry.

This emerging capability in biotechnology is being directed to the development of solutions that address industry priorities. Key among these is the identification of genes in pasture species and in dairy cattle that offer superior performance and which will ultimately be selected for in conventional breeding programs.

Priority was also given in the past year to projects able to address the continued drought through a search for efficiencies on farm through targeted breeding.

In 2007/08 the Foundation commissioned two new Biotechnology projects with Gardiner funding exceeding \$1.27 million toward projects with a total value of \$3.5 million.

New projects in 2008

Project Organisation

CRC for Innovative Dairy Products/
The University of Sydney

PROJECT LEADER: Professor Herman Raadsma Director, Reprogen
Centre for Advanced Technologies in Animal Genetics and Reproduction

Project Title

Development of a commercial prototype genetic DNA-based platform for the prediction of total genetic merit and superior selection of Australian dairy cattle

Department of Primary Industries

PROJECT LEADER: Dr Ben Hayes
State-wide Leader, Computational Biology
Biosciences Research Division

Improving feed conversion efficiency and lifetime profitability of the Australian dairy herd through genetic markers and biomarkers (phase 1 and 2)



INNOVATION PROGRAM

The Innovation Program aims to support sustainable new developments for the Victorian Dairy Industry with an emphasis on cutting edge technologies and processes. The program also encourages the development of strong networks and collaborations both within Australia and internationally in order to maximise technological progress and achievement for the industry.

In 2007/08 the Foundation commissioned 15 new Innovation projects with Gardiner funding exceeding \$2.06 million and a total value of nearly \$8 million.

A key priority of the program is the promotion of an agile dairy industry able to respond quickly to challenges and opportunities that arise. At the same time, it is important that new technologies are sensitive to the need for assured sustainability of farming and manufacturing practices.

Important projects currently being supported are addressing efficient water use, flexible feeding options during drought, increased food conversion efficiency and greater fodder production on farm. For the post-farm sector, the emphasis is on efficient processing, value adding for milk ingredients and improved manufacturing technologies.

New projects in 2008

Project Organisation & Partner Organisation(s)

Project Title

Dairy Australia Limited

Responding to change: Flexible feeding systems that are less reliant on climate and pasture production

PROJECT LEADERS: Dr Stephen Little
Project Leader - Future Grains
Dr Ray King
Program Coordinator - Feedbase

Dairy Australia Limited

Managing the risks associated with grain/concentrate and fodder purchasing

PROJECT LEADERS: Dr Stephen Little
Project Leader - Future Grains
Dr Ray King
Program Coordinator - Feedbase

Dairy Australia Limited

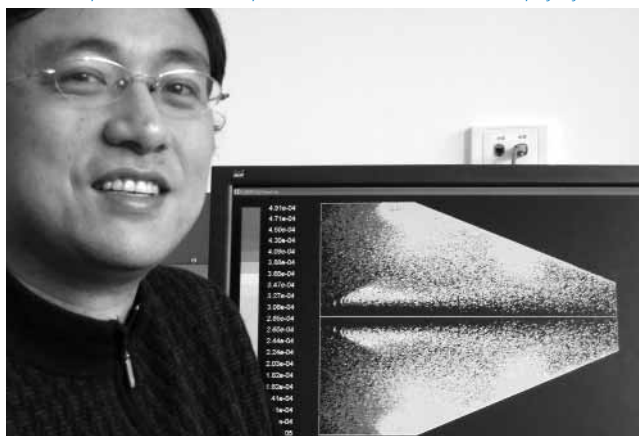
Inclusion of flexible intensive feeding systems into the Feed2Milk Case Study farms project

PROJECT LEADERS: Dr Stephen Little
Project Leader - Future Grains
Dr Ray King
Program Coordinator - Feedbase

Smart Drying

Dairy Innovation Australia Ltd - Monash University

Gardiner Foundation's Innovation Program is funding research, led by Dairy Innovation Australia and Monash University, collaborating with researchers in France and Ireland, which seeks to create new, faster and cost-efficient drying technologies to meet demand for premium products. This project aims to develop technologies to achieve enhanced processing efficiencies and new product options for the dairy processing industry. Dr Yan Jin at Monash with his computer simulation of milk powder behaviour in an industrial-scale spray dryer.



Managing the risks associated with grain/concentrate and fodder purchasing

Dairy Australia Limited
Late in 2007 the Gardiner Foundation responded to worsening drought conditions by funding a number of projects which aimed to help farmers deal with climate variability. The projects, carried out by Dairy Australia, are listed above.
Dr Steve Little conducting an on-farm grains2milk buying feed workshop.



INNOVATION PROGRAM

New projects in 2008 continued

Project Organisation & Partner Organisation(s)

Project Title

Dairy Food Safety Victoria

& College of Notre Dame, Baltimore, MD, USA

Food defence and risk analysis for the Victorian Dairy Industry

PROJECT LEADER: Mr Doug Eddy

General Manager, Knowledge Management

DemoDAIRY Co-operative Ltd

& Department of Primary Industries

Determination of sustainable application rates of dairy second pond effluent to pasture for forage production

PROJECT LEADER: Ms Louise Sheba

Business Development Officer

Department of Primary Industries

& Tatura Milk Industries

Alltech Biotechnology Pty Ltd

Production of Selenium-enriched Milk Products (phase 2)

PROJECT LEADER: Professor Harsharn Gill

Research Director Animal Production Sciences

Department of Primary Industries

A research diagnostic tool to profile the rumen biome for the development of management tools to improve feed conversion

PROJECT LEADER: Dr Ben Cocks

Research Director, Biosciences Platform

Department of Primary Industries

& Environment Protection Authority

Australian Dairy Farmers Limited

Department of Primary Industries

Development of industry guidelines – dairy cattle feedpads and freestall barns

PROJECT LEADER: Mr Scott McDonald

Centre Manager – Kyabram

Best practice management of dairy effluent ponds and impact on profitability

GippsDairy Board Inc

Economically sustainable and productive use of dairy pond sludge for forage production

Department of Primary Industries

Gardiner Foundation is funding two linked projects in Gippsland and Western Victoria which focus on management of dairy effluent ponds and use of dairy pond sludge. The projects are conducted at Macalister Demonstration Farm near Maffra and DemoDAIRY Co-operative near Terang.

Barrie Bradshaw, DPI, talking to farmers at the Managing Dairy Effluent Profitably field day at Macalister Demonstration Farm, Maffra.

Adaptation of technologies to achieve high productivity from dairy farming systems

The University of Melbourne

Project 3030 aims to help farmers achieve a 30% improvement in farm profit by consuming 30% more home-grown forage (pasture plus crop). It is most relevant to dryland farmers in southern Australia who have mastered the challenge of growing and utilizing ryegrass pasture for dairy cow feeding. Sponsors, for the project, conducted by The University of Melbourne are Gardiner Foundation together with Dairy Australia, DPI, WestVic Dairy, Murray Dairy, GippsDairy and Dairy SA.



New projects in 2008 continued

| Project Organisation & Partner Organisation(s) | Project Title |
|---|---|
| Food Science Australia PROJECT LEADERS: Dr Mary Ann Augustin Principal Dairy Scientist/Stream Leader, Delivery Systems Mr Raymond Mawson Senior Scientist | <i>Smarter separations for efficient production of bulk dairy products</i> |
| Food Science Australia & Murray Goulburn Co-operative Co Ltd, The University of Western Australia Centre for Forensic Science PROJECT LEADER: Dr Garry Lee Research Team Leader | <i>Provenance of the origin of milk powder</i> |
| GippsDairy Board Inc & AgVet Projects Pty Ltd Daviesway Pty Ltd Milka-Ware (Division of C.C.H Pty Ltd) DairyMaster (Division of C.C.H. Pty Ltd) Campbell Cleantec Pty Ltd DeLaval Pty Ltd Tasman Chemicals Pty Ltd WestfaliaSurge Australia Pty Ltd PROJECT LEADER: Dr Danielle Auld Executive Officer | <i>Green Cleaning – New sustainable systems for cleaning farm milking equipment</i> |
| Murray Goulburn Co-operative Co Ltd PROJECT LEADER: Dr Warren Cook R&D Manager Milk Powders | <i>Operational applications for ultrasonic treatments of dairy products</i> |
| Murray Goulburn Co-operative Co Ltd & Gippsland Herd Improvement Co-operative Ltd Dairy Food Safety Victoria PROJECT LEADER: Mr Andrew Gallagher Field Services Manager | <i>Development of a whole farm Risk Management Program</i> |
| Murray Goulburn Co-operative Co Ltd PROJECT LEADER: Mr Robert Coode Manager Export Administration and Logistics | <i>Exporting dairy products utilising Electronic Information Communication – in lieu of paper-based information</i> |
| The University of Melbourne PROJECT LEADER: Dr Michael Pyman Faculty of Veterinary Science | <i>A comparative study of the performance of New Zealand Friesian cross Holstein-Friesian cows in Victorian dairy herds</i> |

COMMUNITY & PEOPLE DEVELOPMENT PROGRAM

Australia's workforce of 12 million people is aging, and is projected to shrink at 150,000 people per annum from 2010.

The Australian dairy industry employs 100,000 people, 50,000 of whom live in small rural communities of less than 5,000 people. These communities are under pressure from very high levels of urbanisation.

The Community and People Development Program seeks to deal with these two issues and to attract, retain and to support people, as well as build strong and healthy dairying communities.

The Foundation's investment is in two key areas – capability and skills building and through small community grants.

Capability building projects include mentoring, volunteerism, health and wellbeing of dairy families, leadership development, education and training and promotion of careers in dairying.

Gardiner's Community Development Small Grants Program is implemented through the Foundation for Rural and Regional Renewal and supports improvement of local infrastructure as well as community activities and events.

The Foundation introduced a new initiative in 2008, the Gardiner Dairy Scholarship Program, which awarded scholarships to children from dairy farming families who had to live away from home in order to pursue their tertiary education. The initiative was targeted toward areas where dairy farm incomes were impacted by drought.

In 2007/08 the Foundation committed a total of \$733,000 to 31 Community and People Development projects, having a total value from all investors of \$1.73 million. This included the Community Development Small Grants Program and Voucher Program for drought impacted families, both implemented by the Foundation for Rural and Regional Renewal.

The Foundation intends to expand its community development activities in the coming year to include a community strengthening program.

New projects in 2008

Project Organisation & Partner Organisation(s)

Project Title

Agribusiness Gippsland Inc

Supporting Gippsland ABARE Conference

PROJECT LEADER: Mr Alex Arbuthnot
Chairman

Australian Rural Leadership Foundation

Sponsorship of the International Leadership Alumni Conference (ILAC)

PROJECT LEADER: Mrs Philippa Woodhill
Manager, Leadership, Engagement and Development

**Dairy Australia Limited
& GippsDairy Board Inc
Murray Dairy Inc
WestVic Dairy Inc**

Funding for drought response co-ordinators and related activities

PROJECT LEADER: Mr Chris Murphy
RDP Business Development Manager

Dairy Industry Authority of Australia (DIAA)

Dairy Science World Series

PROJECT LEADER: Ms Kristine Manser
Executive Officer

Gardiner Dairy Scholarships 2008

Emma Bruns, Leitchville
Tammara Leatham, Orbost
Laura Peters, Tallandoon
Fiona Pyke, Girgarre
Rebecca Sexton, Dingee

Studying *Human Movement*, University of Ballarat
Studying *Education*, Latrobe University, Bendigo
Studying *Physiotherapy*, Charles Sturt University, Wagga Wagga
Studying *Education*, Latrobe University, Bendigo
Studying *Business*, Latrobe University, Bendigo

COMMUNITY & PEOPLE DEVELOPMENT PROGRAM

New projects in 2008 continued

Project Organisation & Partner Organisation(s)

Gordon Institute of TAFE
& Colac Otway Shire Dairy Training Reference Group
Australian Industry Group
South West Local Learning & Employment Network
Westvic Work Force
Western District Employment Access – Colac
Colac Otway Workforce Victorian Group Training
R J Hester, Dairyfarmer

PROJECT LEADER: Mr Michael Schaefer
Coordinator – Agriculture

Project Title

*Life's good on the farm.
Profiling dairying and associated industries – the backbone
of our Colac Otway Community*

National Dairy Alliance (NDA)

PROJECT LEADER: Mr Gary Macfarlane
Executive Officer

Dairy Science 2007

Northern District Community Health Service Inc

PROJECT LEADER: Ms Tricia Currie
Service and Program Manager

Gateways 4 Sustainable Communities

A partnership project in Gannawarra and Loddon Shires addressing needs of young people for training and skills development, while maintaining health and wellbeing.

The Song Room Inc.

PROJECT LEADER: Ms Deborah Nicolson
Program Manager

Community Harmony

A series of performance and interactive workshop programs designed to enhance children's learning capacity and build self-expression and team skills, implemented in primary schools.

Young Dairy Development Program (YDDP)

United Dairyfarmers of Victoria

The UDV, in collaboration with GippsDairy, Murray Dairy and WestVic Dairy, developed a unique program for young dairy farmers and service providers which aims to build their skills, knowledge and leadership capability. More than 700 young people are involved across Victoria in activities which develop their social and business networks, and enhance their capacity to operate their farm businesses in an increasingly complex environment. Gardiner Foundation is the principal funder, with additional support provided by Dairy Australia, Gipps Dairy, WestVic Dairy, Murray Dairy, National Centre for Dairy Education Australia, Bega Cheese/Tatura Milk Industries, Fonterra Australia, Murray Goulburn Co-op, Warrnambool Cheese and Butter Factory, Target 10 and Regal Cream Products.

Lindsay Horkings at Horkings' Dairy, Rochester explaining the ins and outs of milking at the YDDP relief milking recruiting event "There's Money in Milk".



DairySage Mentoring

WestVic Dairy Inc

The program aims to establish a sustainable mentoring framework and ethos in the dairy industry by partnering experienced, inspirational and dynamic volunteers (mentors) with dairy people from all sectors of the industry (mentees) including manufacturing and service sectors. The program was developed by WestVic Dairy, in collaboration with Dairy Australia's People in Dairy Program. It commenced in 2007 with workshops in Western Victoria and Melbourne which matched 22 mentors and mentees. Further workshops are being conducted in 2008 in Western Victoria and Gippsland, and at a later date in Northern Victoria.

Pictured at the final session of a DairySage Mentoring workshop: (rear, l to r) Lisa Wilson (Australian Dairy Farmers), Bernard Lubitz (Willow Grove farmer), Paul Ford (Gardiner Foundation), Karen Baum (Jindivick farmer and program co-ordinator), (front, l to r): Joe Giblin (Ayford farmer), Allison Potter (Murray Goulburn Field Services) and Tanya Privitera (Marden farmer).



COMMUNITY & PEOPLE DEVELOPMENT PROGRAM

New projects in 2008 continued

Project Organisation & Partner Organisation(s)

Project Title

Victorian Farmers Federation

*Funding for the dairy component of the VFF drought website
www.drought.org.au*

PROJECT LEADER: Dr Brenda McLachlan

United Dairyfarmers of Victoria/VFF

*Development of a sharefarming toolkit consisting of contractual
templates and explanatory notes*

PROJECT LEADER: Ms Jenny Frederiksen
Dairy Projects Manager

United Dairyfarmers of Victoria/VFF

Positioning of the UDV

PROJECT LEADER: Dr Airlie Worrall
Executive Manager

United Dairyfarmers of Victoria/VFF

*Sponsorship of the United Dairyfarmers of Victoria
38th Annual Conference, June 2008*

PROJECT LEADER: Dr Airlie Worrall
Executive Manager

**United Dairyfarmers of Victoria/VFF
& National Centre for Dairy Education Australia
Federated Farmers of New Zealand**

UDV/VFF 2008 Apprentice Tour to New Zealand

PROJECT LEADER: Ms Jenny Frederiksen
Dairy Projects Manager

WestVic Dairy Inc

Great South West Dairy Awards 2008

PROJECT LEADER: Mr Mike Weise
Executive Officer

COMMUNITY DEVELOPMENT SMALL GRANTS

In 2002 the Gardiner Foundation formed a partnership with the Foundation for Rural and Regional Renewal (FRRR) to administer Gardiner's Small Grants Program which provides funding up to \$5,000 for local community projects. Examples may include improving infrastructure (such as community halls, youth or educational facilities), building of skills or support for community events and activities.

| Project Organisation | Project Title |
|---|---|
| Boisdale and District Progress Association | <i>Repair and renovation of small tennis/netball clubhouse and shade shelter at Boisdale for youth group and community use</i> |
| Briagolong Mechanics Institute Hall Committee | <i>Upgrade toilet block facilities to attract function bookings for fundraising purposes</i> |
| Cobden Fire Brigades | <i>Purchase a support vehicle to enhance and maintain community safety, viability and deliver educational programs to the community</i> |
| Cobram Community House Inc | <i>Access to learning – installation of heating/cooling facilities to enable use of building for teaching/training and community use</i> |
| Cohuna Playgroup Inc | <i>Safe play outdoors for our children – purchase of safe outdoor play equipment for all who use the maternal child health centre</i> |
| Dederang Rural Fire Brigade | <i>Achieving continuity in CFA training and community education in the Dederang region and enabling junior CFA members to train close to resources – purchase of heating/cooling unit for fire shed</i> |
| DemoDAIRY Co-operative | <i>Purchase of a BBQ to facilitate outdoor catering for dairy industry and community events at DemoDAIRY demonstration farm</i> |
| Girgarre Development Group (Shire of Campaspe) | <i>Farmers' Market mobility project – purchase of a fitted trailer for easier setting up of community market and community functions</i> |
| Leongatha RSL | <i>Restoration of the Worreen Avenue of Honour which commemorates World War I service by soldiers from the Worreen district</i> |
| Lions Club of Tongala Inc | <i>Mobile catering unit – fitted BBQ trailer to allow mobile catering for community functions and to facilitate fund-raising</i> |
| Middle Tarwin Public Hall Inc | <i>Painting and restoration of the Hall to enhance use by community organisations</i> |
| Mitta Valley Multi-Purpose Children's Centre | <i>Outdoor playground equipment to cater for children up to 5 years</i> |
| Nanneella Hall and Reserve Management Committee | <i>Upgrade of equipment at Nanneella Memorial Hall to improve catering facilities for wider community use</i> |
| Nathalia Primary School | <i>Family picnic tables for school and community playground</i> |
| Neerim Memorial Hall | <i>Replace refrigerator in Memorial Hall for use by community groups</i> |
| Poowong Football and Netball Club Inc | <i>Upgrading of kitchen equipment for clubrooms used by dairy industry, community and sporting groups</i> |
| Rochester Community House Inc | <i>Improving communication – purchase of computer equipment for community use and training</i> |
| Rotary Club of Yarram Inc | <i>Purchase of community accessible cardiac revival defibrillator for use (with two units purchased by Rotary) in the communities of Yarram, Port Albert and Woodside</i> |

COMMUNITY DEVELOPMENT SMALL GRANTS

Project Organisation

South Gippsland Bass Coast Local Learning and Employment Network

Project Title

Support for the South Gippsland Bass Coast youth mentoring program which provides support to students at risk of disengagement from education and community

Stanhope & District Development

Purchase of laptop computer/software and administration costs for the Sponsor-a-Cow program

St Augustine's School, Kyabram

Advancing education of country kids – purchase of projector and screen for visual educational presentations and internet classes

Supporters of Cann Valley Community Kindergarten

Replacement of playground equipment to provide a safe and pleasant environment for children to play

Tarwin Valley Preschool Inc

Purchase new educational toys and books for preschool children

Tongala Dairy Industry Training Centre Inc

Making it better in hard times – program of learning and skills development for rural women

Toora Recreation Reserve Committee of Management

Hot water appliance replacement for cleaning and showers for sporting groups

Willow Grove Kindergarten Inc

Perimeter fencing between the kindergarten and the lake to provide safe outdoor access for children

Dairying Families Support – Voucher Program

In 2007/08, in addition to the Community Development Small Grants Program, FRRR also implemented, on behalf of the Gardiner Foundation, a \$50,000 Dairying Families Support Voucher Program. \$50 vouchers were distributed through milk company field operations to assist dairying families impacted by drought. Vouchers were redeemable through the IGA network in regional Victoria. The Gardiner Foundation acknowledges with appreciation a cash contribution from the **IGA Network** to increase the number of vouchers available to support families in need.

Restoration of the Worreen Avenue of Honour Leongatha RSL

Gippsland dairy farmers Jeanne Dekker and Nicole Pouw brought the local community together to clear and restore the Worreen Avenue of Honour, a tribute to World War I soldiers from the district. On the 90th anniversary Major General David McLachlan AO, State President of the Victorian RSL Branch, officiated at a tree-planting ceremony and unveiling of a plaque to commemorate the occasion (pictured with Jeanne (left) and Nicole).



"Big Fill" Appliance on a Toyota Landcruiser Cab Chassis base Nilma North Rural Fire Brigade

To celebrate the commissioning of their latest fire appliance Captain Ted Osler and his team organized a community day at Buln Buln Recreation Reserve to thank sponsors who donated toward the cost of the "Big Fill" unit. The unit reduces downtime of vital fire-fighting appliances by filling several tankers simultaneously.

Financial support was received from Federal, State and Local Government, Gardiner Foundation, Bendigo Bank, FRRR, The Andrews Foundation, Southern Cross Motorcycle club and West Gippsland Group Fire Brigades, as well as the local community.



ABOUT THE GARDINER FOUNDATION PEOPLE

Paul Ford CHIEF EXECUTIVE

Has extensive experience in the agrifood sector in government and private sectors. He serves on a number of prominent agrifood boards and committees and in 2008 won the prestigious DIAA John Bryant Gold medal for outstanding and sustained contribution to the dairy industry in Australia.

Michael Tippett COMPANY SECRETARY (from December 2007)

Company Secretary and Corporate Lawyer. He practised law, was Project Manager of the Courts Computerisation Project for Victorian Courts, and was Executive Director of Barristers' Clerking Services P/L.

Barrie Lawson COMPANY SECRETARY (to December 2007)

Barrie Lawson is a Fellow of the Chartered Institution of Secretaries and a Fellow of the Australian Society of Certified Practising Accountants.

Cynthia Mrigate PROGRAM ADMINISTRATION & COMMUNICATIONS MANAGER

Worked in program administration for the Parliament of Victoria, the Victorian State Government and United Nations specialized agencies.

Dr Craig Miller MANAGER, CAPABILITY BUILDING

Joined the Foundation in early December 2007 from the George Weston Foods company in Sydney where he has been a project manager in the innovation and research division.

Megan Dyer MANAGER, INNOVATION

Has B.Sc. Agriculture from Latrobe University and has served in roles with the Department of Primary Industries including project officer for a major Gardiner-funded project, and dairy extension roles.

Dr Jan Mahoney MANAGER, COMMUNITY & PEOPLE DEVELOPMENT

Worked in a range of positions in scientific research, agribusiness, industry development, science policy and community development. Director of Grampians Wimmera/Mallee Water Corporation and Parks Victoria.

Jenny Walsh OFFICE MANAGER

Joined the Gardiner Foundation in June 2007 after 12 years with the National Herd Improvement Association where she managed the office and financial functions.

Left to right: Jan Mahoney, Michael Tippett, Jenny Walsh, Cynthia Mrigate, Megan Dyer, Paul Ford and Craig Miller





CONTACTS

The Gardiner Foundation has an up to date website that offers full information about the Foundation as well as guidelines and application forms for funding.

Visit our website at: www.gardinerfoundation.com.au

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