

Investing for a Vibrant Dairy Future

Annual Report 2016



Geoffrey Gardiner Dairy Foundation Limited

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Her Excellency the Honourable Linda Dessau AM

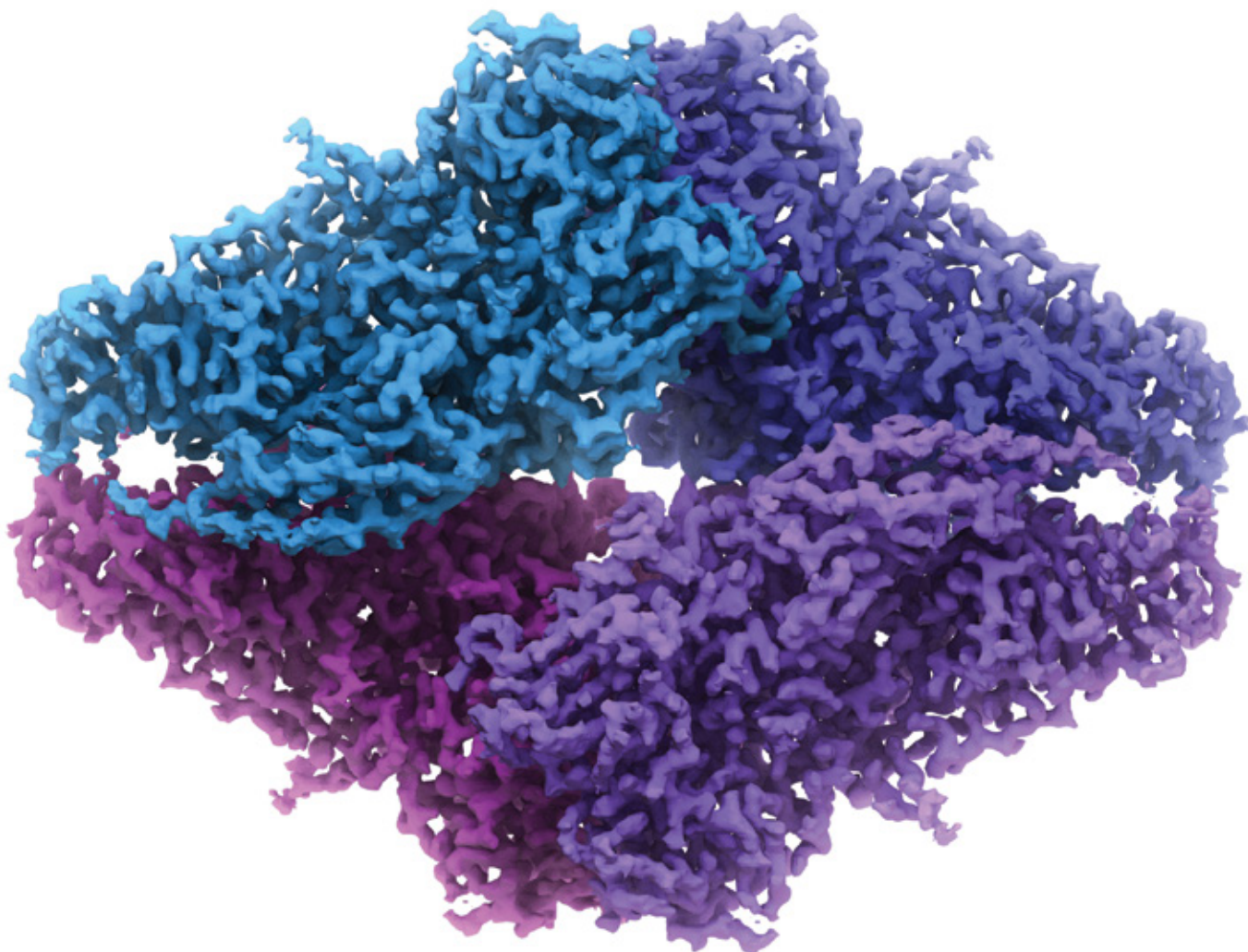
Governor of Victoria

Patron of the Gardiner Dairy Foundation

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Beta-galactosidase
– the enzyme that digests the sugar in milk

Image courtesy of David S. Goodsell and the RCSB Protein Data Bank. Original structure by Bartesaghi, A., Merk, A., Banerjee, S., Matthies, D., Wu, X., Milne, J., Subramaniam, S., (2015) Science 348: 1147



Chairman's Review

Gardiner Dairy Foundation Limited was formed in 2000 and its Constitution outlines five principal objectives that have been incorporated into the organisation's Strategic Direction 2015-2017 as follows:

- Prudent management of Gardiner Dairy Foundation funds
- Research, development & extension — to improve industry productivity and profitability
- People development — to build the skills and leadership capabilities of people in the industry
- Industry support — to support industry-wide development and change processes
- Community development — to support dairy communities

Chairing Gardiner Dairy Foundation Board for the last year has been a privilege and it has been a year that has provided its share of challenges and opportunities. We have seen significant progress on all of these objectives as the annual report outlines, however I will touch on only some of Gardiner Dairy Foundation's work here.

The recent milk price changes have challenged the dairy community at all levels and Gardiner Dairy Foundation Board and staff have been committed to providing significant support to the industry from the outset.

The industry taskforce established by the Minister for Agriculture and Regional Development the Hon. Jaala Pulford MP, facilitated a timely and coordinated effort across the industry and government agencies, drawing on well-established good working relationships between the parties to help maximise the effectiveness of the response.

We were proud to have been the first organisation to respond by contributing \$1.4m to the industry support package that ultimately reached \$11.4m.

Gardiner Dairy Foundation's funding helped facilitate part of the roll-out of Dairy Australia's Tactics for Tight Times, making important programs including Taking Stock and Feeding Pasture for Profit accessible to all Victorian dairy farmers.

Gardiner Dairy Foundation was also responsible for the dairyfarmercentral.com.au website that soon became the 'go-to' directory for dairy farmers to access a comprehensive list of programs, initiatives and events that support

individuals, their families and their businesses. Important short-term support was also provided to the United Dairyfarmers of Victoria to help in the intensive, early part of the response effort. The Board also put considerable effort into reviewing the entire suite of programs and budget to ensure our efforts would benefit the industry most in the circumstances.

Gardiner Dairy Foundation endeavours to maintain strong relationships with all of its stakeholders and we particularly acknowledge the valued partnerships with the United Dairyfarmers of Victoria, the Australian Dairy Products Federation, the Australian Dairy Industry Council, Australian Dairy Farmers, Dairy Australia, Monash University and Minister Jaala Pulford and the Department of Economic Development, Jobs, Transport and Resources.

It is a great pleasure also to welcome as Patron, Her Excellency the Hon. Linda Dessau AM, Governor of Victoria, who began her term in July 2015. We are delighted that she has chosen to support Gardiner Dairy Foundation and the dairy industry in this way.

At the 2015 Annual General Meeting we welcomed two new directors to the Board. Dr Judith Slocombe and Mr Andrew Maughan, who have already made excellent contributions to Gardiner Dairy Foundation. In October Mrs Roma Britnell was elected to the Victorian Legislative Assembly and resigned from the Board. I would like to express my sincere thanks for her significant contribution as the farmer representative and I am very pleased that Mrs Naomi Pye was appointed to this important role. I also wish to thank Directors Mr Barry Irvin and Mr Michael Carroll for their ongoing substantial commitment to Gardiner Dairy Foundation.

I would like to congratulate Chief Executive Mary Harney for her outstanding leadership and the dedicated management team of Gardiner Dairy Foundation. I also wish to extend my thanks to our service delivery partners whose work has been essential to the work of the Foundation.

Bruce Kefford
Chairman





Chief Executive's Report

Gardiner Dairy Foundation is well advanced in the delivery of our Strategic Direction for 2015-17 and continues to invest across the dairy value chain in pre and post-farm gate RD&E, industry support activities and the development of people and dairy communities. In this report I am pleased to highlight some of our major investments for 2015/2016 financial year.

Our Challenge Round in animal performance — ImProving Herds — was launched in October and is our major strategic investment in pre-farm gate RD&E. This project aims to increase rates of genetic gain in the dairy industry, by demonstrating the value of genetics and herd improvement. ImProving Herds is a world-class project involving twenty-seven genetic partner farms selected to measure how genetics can assist in accelerating herd improvement gains and overall farm profitability.

The Monash Industry Team Initiative (MITI), our major post-farm gate investment, has grown from seven multidisciplinary teams last year to eleven in 2016. The program's achievements were recognised in 2015 when the industry/university partnership received the national Business Higher Education Round Table (B/HERT) *Award for Outstanding Excellence in Collaboration*. The three month program exposes high achieving, undergraduate and post graduate students from Monash University to the sophistication of the dairy manufacturing sector in regional Victoria. MITI enables the manufacturers to benefit from bright young minds to design innovative solutions to real-world challenges and also allows industry to connect with outstanding potential employees.

Dairy farm profitability is critical to the long-term sustainability of the industry and our flagship investment in people development directly addresses this need. Gardiner Dairy Foundation has partnered with the three Victorian Regional Development Programs (RDPs) to establish the Farm Business Management Program. The program aims to upskill dairy farmers in risk management, business acumen and leadership by offering scholarships for thirty mid career dairy farmers over three years. The scholarships are available to three executive level courses; the Rabobank Executive Development Program, University of Queensland (UQ) Business School Owner Manager Program™ and the Australian Rural Leadership Program.

Gardiner Dairy Foundation is passionate about promoting thought leadership, as part of our contribution to industry support. Public acceptance or rejection of agricultural technologies can have significant impacts if the scientific communication is not carefully constructed. To expose Australian dairy audiences to leading edge ideas and best practice in science communication, Gardiner Dairy Foundation brought two international experts to Melbourne to speak on the communication of science, risk, trust and biotechnology. Jack Bobo, Senior Vice President and Chief Communications Officer for Intrexon spoke at a co-hosted University of Melbourne public lecture, and Dr Andrew Roberts Vice President Business Development Asia, at the genome engineering firm, Recombinetics Inc was the key-note speaker at Gardiner Dairy Foundation Dairy Leaders Luncheon.

Finally, 2015/2016 has been another successful year for Gardiner Dairy Foundation Board and our small team, as evidenced by the many projects delivered and highlighted throughout this report. I would like to take this opportunity to thank our Chairman Bruce Kefford for his leadership and direction over the past year.

Mary Harney
Chief Executive

Message from the Minister for Agriculture and Regional Development

The Andrews Labor Government has a longstanding relationship with Gardiner Dairy Foundation and a history of supporting our dairy industry.

It's an understatement to say the dairy industry has had it tough lately. In response to the difficult times faced by farmers, the government convened a Dairy Industry Taskforce to bring the industry together to support farmers and regional communities – in which Gardiner Dairy Foundation has played a key role.

I would like to acknowledge and commend the leadership shown by Gardiner Dairy Foundation's Chairman Bruce Kefford, Chief Executive Mary Harney and board and the rapid response to contribute \$1.4m to what ultimately became an \$11.4m package from industry and government to support farmers impacted by the fall in milk prices.

The support package will ensure dairy farmers and their families experiencing financial and emotional stress can get the help they need. The package included a \$5.2m industry component and supports a major expansion of Dairy Australia's *Tactics for Tight Times and Taking Stock programs*.

Our Government is passionate and confident in its support of dairy farmers and their families and that's why we increased our government support by \$6.7 million. This important funding will go a long way to helping dairy farming families with kindergarten and tertiary education subsidies, while giving farmers a real boost to improving their on farm infrastructure. We stood by dairy farmers at the beginning of this crisis, and we will stand by the industry as they recover.

In October, I was delighted to co-host the launch of Gardiner Dairy Foundation's first Challenge Round in animal performance – ImProving Herds. The project is led by Professor Ben Hayes (DEDJTR), who together with his colleagues was the winner of the prestigious Journal of Dairy Science Most-Cited Awards in 2015. The award

recognises work that has had a significant impact on research and the dairy industry. This was the first time it was awarded to a research paper from outside the United States Department of Agriculture.

Under the guidance of this world class team, this innovative project will improve productivity and deliver greater profits to our dairy sector. The tools developed will make it easier for all farmers to use genetics to improve their herd performance and enhance their profitability.

Victorian dairy is a vitally important industry worth \$3.1billion (gross) to the state's economy through pre-farm gate and post-farm gate activity. It is also unique as one of the leading rural industries in terms of adding value through downstream processing. A large amount of this processing and manufacturing occurs close to the major dairying areas, generating critical economic activity throughout regional Victoria.

One of the challenges faced by the dairy manufacturing sector has been attracting highly skilled young people to technical roles in the regions. I applaud Gardiner Dairy Foundation for taking a proactive approach to overcoming these challenges by investing in the Monash Industry Team Initiative (MITI) program which connects highly talented students with dairy manufacturers in regional Victoria. This initiative again demonstrates the importance of collaboration, with the industry/ university partnership acknowledged as the recipient of the 2015 *B/HERT Award for Outstanding Excellence in Collaboration*.

I look forward to continued collaboration with Gardiner Dairy Foundation as we work together to further support, strengthen and grow our dairy industry.

Hon. Jaala Pulford MP
Minister for Agriculture and
Regional Development



Bruce Kefford, Mary Harney, Hon. Jaala Pulford MP & Michael Taylor AO



Strategic Context

Background

Gardiner Dairy Foundation was established via legislation in 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 Dairy Foundation was created with \$62m in funding from the sale of assets, including milk brands, as part of deregulation of the dairy industry. The Foundation's constitutional responsibility is to maintain the current real value of the legacy. Responsible management of the funds is an ongoing priority as the income produced supports Gardiner Dairy Foundation's annual investment in key industry projects. The fund now has \$97m under management and has invested \$60m in more than 730 projects for the benefit of the industry.

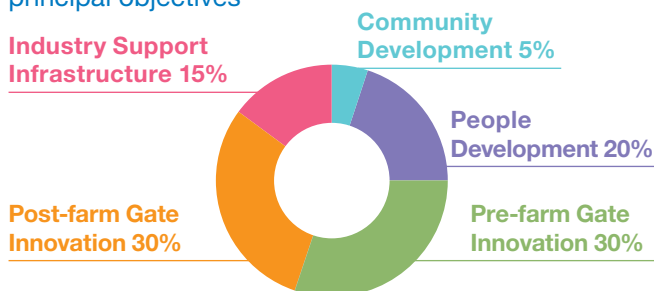
Our Vision

To invest in emerging leaders and practices to help develop a long-term future for the dairy industry.

The Constitution of Gardiner Dairy Foundation provides a remit to "manage the investment of funds to maximise the benefits to all sectors of the Victorian dairy industry and to Victorian dairy communities." The Constitution outlines five principal objectives that have been incorporated into the organisation's Strategic Direction 2015-2017:

- Prudent management of Gardiner Dairy Foundation funds
- Research development & extension – to improve industry productivity and profitability
- People development – to build the skills and leadership capabilities of people in the industry
- Industry support – to support industry-wide development and change processes
- Community development – to support dairy communities

This Strategic Direction and intent is reflected in our project investment allocation against the principal objectives



Project Investment allocation for Gardiner Dairy Foundation

Our Mission

In line with the strategic intent our mission is to:

- Professionally manage the fund and its investment portfolio
- Work cooperatively with industry organisations and stakeholders to improve the Victorian dairy industry
- Foster innovation, enhance capability and act as a catalyst for change
- Provide an independent and flexible source of funding that benefits the industry in ways that may not be possible for other support organisations

Gardiner Dairy Foundation is a unique, asset funded, investor in RD&E and people development projects for the Victorian dairy industry.

Charter

Our Purpose

Is to invest in a strong, prosperous, sustainable dairy industry.

Our Strategy

Is to invest a meaningful amount into a small number of well targeted projects, ideally as a co-investor, to maximise the quantum and impact of investment.

Our Values

• Courtesy

Be courteous to all stakeholders, share information generously and ensure relationships are mutually beneficial.

• Integrity

Be trustworthy, respectful and embrace openness.

Our Principles

• Collaboration

To work cooperatively with industry organisations, government and stakeholders to improve the Victorian dairy industry and align strategies and investments with those of the industry.

• Innovation

To foster innovation, enhance capability and act as a catalyst for change to improve the long-term future of the Victorian dairy industry.

• Independence

To provide an independent and flexible source of funding that benefits the industry in ways that may not be possible for other support organisations.

• People

To strengthen and support our leaders and continue to invest in emerging leaders and practices as a legacy for the dairy industry.

• Stability

To professionally manage the fund with a secure long-term investment strategy to create legacy projects for the future of the Victorian dairy industry.

The Board



Bruce Kefford PSM

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

Chairman

Bruce Kefford joined Gardiner Dairy Foundation's Board in November 2014. Bruce was appointed Chairman at the AGM in October 2015. An experienced strategic leader with an in-depth knowledge of the food and agriculture sectors and the dairy industry in particular, he is passionate about the application of innovation and science to improve industry competitiveness and sustainability. He is recognised nationally and internationally as a thought leader in the reshaping of the national primary industries innovation system. Until July 2013, Bruce was Deputy Secretary with the Department of Environment and Primary Industries, fulfilling senior advisory roles to industry, state and national governments. Bruce also has a deep understanding of the investment, evaluation and delivery of research, development and extension, extensive relevant board experience as well as a track record of brokering significant partnerships and joint ventures.

Special Responsibilities:

Member: Finance, Investment and Audit Committee

Member: Human Resources, Governance and Communications Committee

Member: Community and People Development Committee



Michael Carroll

B.Agr.Sc, MBA, FAIDC

Mike Carroll joined Gardiner Dairy Foundation's Board in November 2010 and Chairs the Finance, Investment and Audit Committee. He brings to the Board diverse experience from executive and non-executive roles in food and agribusiness. Current board roles include, Sunny Queen Farms, Select Harvests, Tassal, Rural Funds Management, Paraway Pastoral Company and the Australian Rural Leadership Foundation. Previous board roles include the Australian Farm Institute, Rural Finance Corporation, Queensland Sugar Limited, Meat and Livestock Australia and Warrnambool Cheese & Butter. During his executive career Mike established and led the NAB's agribusiness division with earlier senior executive roles including marketing, investment banking and corporate advisory services. Mike also has experience in agricultural research and product development. He and his family have been involved in cattle production for over 130 years and he has a strong personal commitment to Australian agriculture.

Special Responsibilities:

Chairman: Finance, Investment and Audit Committee



Roma Britnell

Roma Britnell joined Gardiner Dairy Foundation's Board in 2014. She has an extensive background in dairy farming and rural leadership. Roma is a former Nuffield Scholar and was the Australian and Victorian Rural Woman of the Year in 2009. Some of her past roles include Chairman of the Markets, Trade and Value Chain Policy Advisory Group for the Australian Dairy Farmers, Director on the Board of the Glenelg Catchment Management Authority and Business Manager of Briland Farms. Roma is a graduate of the Australian Institute of Company Directors and has an Advanced Diploma of Agriculture. Roma resigned from the Board in December 2015 after successfully contesting a by-election for the seat of South West Coast in the Victorian Legislative Assembly.



Barry Irvin AM

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

Special Responsibilities:

Chairman: Community and People Development Committee

Chairman: Human Resources, Governance and Communications Committee

Member: Finance, Investment and Audit Committee



The Board



Andrew Maughan

BSc, LLB, MBA, FFinsia, FAICD

Andrew Maughan joined Gardiner Dairy Foundation's Board in October 2015. Andrew is a lawyer, corporate advisor and experienced company director. His background spans international trade and agriculture, strategy and risk management, corporate finance and investment management. He is currently Managing Director of corporate advisory firm Somerset Capital and is Chairman of food and agriculture companies, AgLink (IDH Pty Ltd), Langdon Group and The Pastoral Pork Company. He is a Director and Investment Committee Member of the Norman Beischer Medical Research Foundation. Andrew has previously been an Independent Director of the Pork CRC and a Director of the Mt Hotham Alpine Resort. Before founding Somerset Capital in 1999, Andrew worked for Cargill (USA, Canada and Australia), Hudson Conway Limited and legal firm Freehills.

Special Responsibilities:

Member: Finance Investment and Audit Committee



Judith Slocombe

BVSc, MRCVS, MBA, FAICD, FAIM

Judith Slocombe was appointed as a Director of Gardiner Dairy Foundation's Board at the AGM in October 2015. From entrepreneurial beginnings in the business of Veterinary Pathology to senior executive roles, Judith's extensive board experience covers the corporate, government and not-for-profit sectors. Judith is the former Chief Executive Officer of the not-for-profit community organisation, Alannah and Madeline Foundation and Chair of the Consumer Advisory Panel at Walter and Eliza Hall Institute. She also holds director positions with the Victorian Government's Agriculture Victoria Services, Children's Rights International, Leadership Victoria and the Young and Well Co-operative Research Centre. Judith was named the Telstra Australian Business Woman of the Year in 2001 and awarded the Centenary Medal for service to Australian Society in Business Leadership in 2003.

Special Responsibilities:

Member: Community and People Development Committee

Member: Human Resources, Governance and Communications Committee



Naomi Pye

Naomi Pye joined Gardiner Dairy Foundation's Board in June 2016. Naomi is a Director and Manager of Boldrewood Dairies Pty Ltd, a multi-generational family dairy farm. She holds qualifications and experience in education and agriculture. Naomi has been an active member of the dairy industry for over 20 years through roles with United Dairy farmers Victoria, Victorian Farmers Federation, Australian Dairy Farmers and WestVic Dairy. She has ten years' experience on government boards, previously Glenelg Hopkins Catchment Management Authority and currently Southern Rural Water. Naomi is a graduate, and member, of the Australian Institute of Company Directors.



The Team



Mary Harney

BSc, BA, MAICD

Chief Executive

Mary has played an integral role in leading and defining Gardiner Dairy Foundation's strategic direction since being appointed as Chief Executive in September 2012. A career spanning 35 years in the health, science and agricultural sectors has empowered Mary to understand the critical role that RD&E can play in driving innovation across an entire industry. Mary's strong network across the not-for-profit, government and corporate sectors, continues to connect Gardiner with valued partners and reinforce the organisation's commitment to a vibrant dairy future.



Caitlin Scholfield

B. Bus (Ag)

Business Manager

Caitlin was appointed as Business Manager in February 2015. She is the Chair of the Young Farmer Ministerial Advisory Council. She is a former director of the Future Farmers Network Board and spent almost three years as Industry Development Manager with the Australian Fodder Industry Association. In 2012 Caitlin started a networking group for Melbourne based agribusiness professionals called AgNext which operated for two years. She has social media, sales and marketing experience in the agricultural space and spent a year in Scotland as a farm based exchange student.



Aaron Gosling

BSc (Hons), PhD

Program Manager Innovation

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



Jenny Walsh

Office Manager

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



Jainesh Lal

CPA, B.Com (Acctg and Finance)

**Finance Manager
& Company Secretary**

Jainesh was appointed as Finance Manager in May 2014. Jainesh possesses over 15 years of experience in various Finance and Accounting roles held over a range of industries, of which the previous ten years have been in the not-for-profit sector. Jainesh's notable roles include Program Finance Manager at the United Nations Development Program based in Fiji, and most recently as the Finance Manager at the Nossal Institute for Global Health, a subsidiary company of the University of Melbourne.



Thought Leadership

Gardiner Dairy Foundation is passionate about promoting thought leadership in the dairy industry and delivering information about best practice in agriculture to Australian farmers, politicians and decision-makers. As Gardiner Dairy Foundation and the dairy industry in Victoria have significant investments in genetic technology it is important that we understand the landscape surrounding the communication of science and biotechnology. With this goal, we invited two thought leaders to Australia with expertise in the fields of trust, science and risk communication, relating to biotechnology.

Jack Bobo

Gardiner Dairy Foundation supported Dr Jack Bobo, Senior Vice President and Chief Communications Officer for Intrexon, a genetic engineering/synthetic biology company, to visit Melbourne in September where he presented the Dean's Lecture in the Faculty of Veterinary and Agricultural Sciences at the University of Melbourne.

As background to his presentation, Jack provided the following sentiment, "In a hot, flat, hyper-connected world, public perception of risk may determine if agriculture will save the planet by 2050 or destroy it. Science and technology may hold the key to addressing global challenges like hunger and climate change, but if experience with media narratives and public perception around genetically modified foods is any indication, the world may be in for a bumpy ride."

In this public lecture, Jack examined the role of science, science communication and trust in addressing global challenges in food and agricultural production. This Dean's Lecture was jointly presented by the Faculty of Veterinary and Agricultural Sciences at the University of Melbourne and Gardiner Dairy Foundation.

In June 2015, Jack was named one of the 100 most influential people in biotechnology today by Scientific American. He joined Intrexon from the US Department of State where he worked for thirteen years. Prior to his distinguished career at the US Department of State, he was an attorney at Crowell & Moring LLP.



Dr Bruce Kefford, Mary Harney, Dr Jack Bobo & Prof Andrew Fisher (University of Melbourne)

Andrew Roberts

Dr Andrew Roberts was keynote speaker at Gardiner Dairy Foundation's annual Australian Dairy Leaders Luncheon in February 2016, for an audience of 150 dairy leaders from across Victoria. Andrew addressed the dairy leaders about the Social Science of Agricultural Communications.

Andrew is well known as a risk communication author and organisational trust specialist with particular interest in biotechnology advocacy, consumer acceptance of new technologies, risk governance and commercial influence. He is currently the Vice President, Business Development Asia with genome engineering firm, Recombinetics. Andrew challenged the group that "communication failures are commonplace in agriculture" and that as a science based industry relying on best available evidence to inform research and best practise we are failing to pursue the best practice in communication and advocacy.

He explored how industry can improve the acceptance and implementation of agricultural innovation by drawing from other disciplines to find better approaches to communication. Approaches which go beyond simply providing information, propaganda or PR.

Andrew called for industry to embrace research like 'cultural cognition' which shows that an individual's culture and values often dictate how they respond to scientific information. He also emphasised the urgent need to engage with best practice and research in the development of public trust.

Andrew has worked extensively in strategic communication in a wide variety of industries including food, seeds, crop protection and agricultural biotechnology. He is a co-founder of both the Centre for Risk Communication Asia and Strategic Trust Initiative LLC in Austin, Texas.



Dr Andrew Roberts (Recombinetics)

Monash Industry Team Initiative

The Monash Industry Team Initiative (MITI), our major post-farm gate investment, was embraced by participants this year growing from seven teams in the 2015 pilot to eleven in 2016. The program's achievements were recognised when the industry/university partnership received the Business Higher Education Round Table (B/HERT) Award for Outstanding Excellence in Collaboration in 2015.

Program Overview

The MITI program places small multi-disciplinary student teams within a dairy manufacturing business to develop a solution to a real world business challenge, over an intensive 12 week period.

The 41 high achieving students were recruited from the top 10 per cent of Monash University students at undergraduate, Masters and PhD levels in the fields of engineering, education, commerce, mathematics, arts, law and information technology. They undertook projects with Devondale Murray Goulburn, Bega, Fonterra, Burra Foods and Warnambool Cheese and Butter, representing approximately 90 per cent of the state's milk production by volume.

The program offers a unique opportunity for dairy manufacturers to put forward a specific challenge (in commercial confidence) – presented as a project brief. Monash University and the manufacturers then select the team of students who work within the company to create a solution to the R&D challenge. Over the past two years MITI teams have resolved issues in: waste management, environmental impact, natural gas utilisation efficiency, heat regulation and milk powder product solubility. These process improvements ultimately benefit the entire industry.

Industry Need

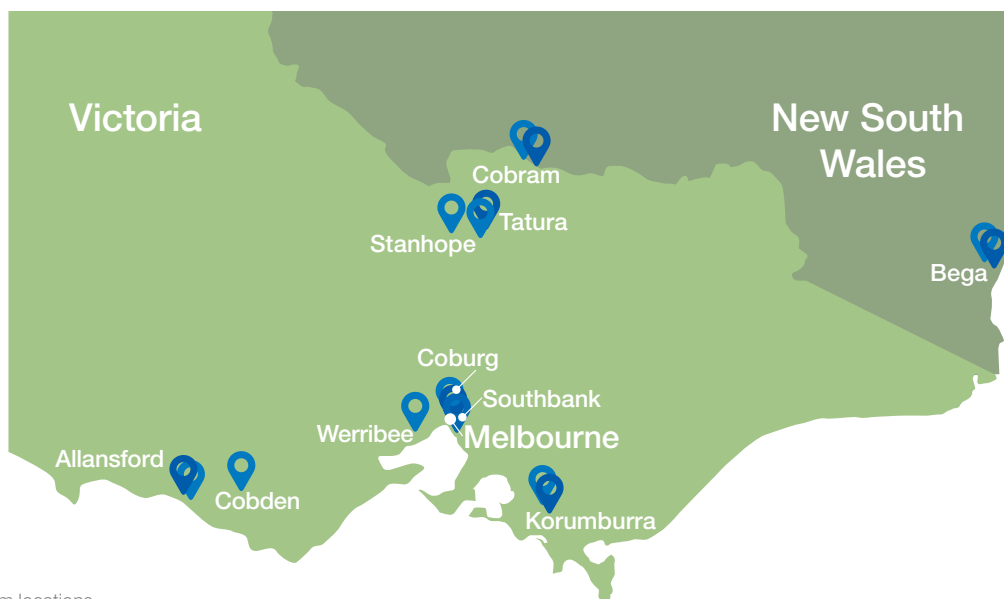
In the past, dairy companies have had difficulty recruiting university graduates to regional Victoria, which has impacted on the development of engineering and other capabilities for the manufacturing sector. Discussions between Gardiner Dairy Foundation and the manufacturers emphasised this deficiency as an impediment to the future productivity and competitiveness of the industry.

MITI directly addresses this need by exposing university graduates and post graduates to the sophistication of dairy processing and its exciting employment opportunities, while building the industry's profile as a viable and attractive career option. At the same time, it gives participants an appreciation of what it is like to live and work in regional Victoria. MITI also delivers tangible, innovative and contemporary solutions to dairy processors and allows industry to connect with outstanding potential future employees.

Recognition

Gardiner Dairy Foundation is proud to have facilitated and invested in, the collaboration between the dairy industry and the MITI program which is unique as a mutually beneficial academic-industry led collaboration. The Gardiner/MITI approach leads the way in confronting the challenge of translating research into tangible innovation by providing students with a deep understanding of industry requirements and R&D challenges and instilling a multidisciplinary approach to problem solving. The MITI teams have in some instances been exposed to more than one manufacturer over the years and prepare a public summary of their work to ensure the process improvement is shared.

This initiative and the unique dairy industry/university partnership was recognised at the 2015 B/HERT Awards, firstly winning the Best Higher Education & Training Collaboration, followed by the overarching B/HERT award for *Outstanding Excellence in Collaboration*.



2015/2016 MITI team locations



Australian Dairy Leadership Alumni

Established in 2013, the Australian Dairy Leadership Alumni (ADLA) is a joint initiative of Gardiner Dairy Foundation, Dairy Australia and the Department of Economic Development, Jobs, Transport and Resources (DEDJTR).

Graduates from five programs – the Australian Rural Leadership Program (ARLP), Horizon 2020, Nuffield Australia, Rabobank Executive Development Program and the University of Queensland Business School Owner Manager Program™ – who are involved in dairy across Australia, are eligible to join the alumni. ADLA is a unique opportunity to leverage the talent of the dairy industry's high achievers and nurture their ongoing development. Many alumni hold leadership positions within industry, agriculture, politics or the community, while others are on a clear path to take on these roles.

The alumni come together for two days each year to explore cutting edge ideas and concepts that strengthen the ability of each member to contribute to the long-term future of the dairy industry. The summit provides participants with a unique opportunity to meet as a group, be inspired, build networks and strengthen their entrepreneurial and leadership spirits. It incorporates a series of events, forums and activities and provides an opportunity for the next generation of leaders to connect with the trailblazers of the agricultural industry.

2015 ADLA Summit

In December 2015 the third ADLA summit in Melbourne was themed "Giving: giving of yourself, to yourself and to your industry."

More than fifty alumni took part in the summit and over one hundred and twenty dairy industry leaders attended the industry dinner at the Melbourne Town Hall.

The 2015 summit program was designed to empower delegates and enhance the role and reputation of the Australian dairy industry. Alumni were exposed to inspiring people, practical examples and a variety of 'giving' strategies that participants could relate to themselves, their businesses, the industry and their community.

Feedback from delegates was extremely positive with the panel session on giving featuring Juliette Wright (GIVIT), Fatima Baraka (Moroccan Children's Appeal) and Andrew Macleod (Kings College, London) being a highlight of the summit. The industry leadership networking dinner and the Thinking Styles workshop were also at the top of the list of most valuable aspects of the program for summit attendees.

The final workshop session gave participants the opportunity to reflect on their learnings, from an industry and community perspective and how they might bring them to life in their local community, through their industry and community commitments.



A big part of leadership development for me is about spending time with great people and the ADLA platform is offering me that opportunity.

Quentin Moxey
Goologong, NSW



A great event that personally had a big impact! Being involved in the ADLA summit has helped me think differently about how I approach my roles in business, industry and the community.

Rick Cross
Toolamba, VIC



Learning from others, inside and outside the dairy industry, is critically important. ADLA provides a unique opportunity to do this through a combination of exceptional speakers, interactive forums and networking.

Lisa Dwyer
Hawkesdale, VIC



ADLA expands my thinking through exposure to cutting edge ideas, concepts and inspirational people rarely found in other dairy industry forums.

Aubrey Pellet
Hillend, VIC



It is the synergistic nature of the alumni coming together that makes the ADLA summit an invaluable forum. I just wouldn't miss it; it fills me for the rest of the year!

Sue McGinn
Belmore River, NSW

Performance of Gardiner Dairy Foundation Investment Portfolio

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

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

Consistent with this, Gardiner Dairy Foundation and its investment managers have developed an investment strategy which recognises the Foundation's Not-For-Profit status and perpetual investment horizon. The strategy

aims for capital growth in excess of the Consumer Price Index (CPI), through the economic cycles, and to deliver a stable and growing income stream from interest, dividends and franking credits. While the income objective is set in absolute dollars it equates to a grossed up yield in the order of 5.7% per annum, based on the current value of the portfolio. The investment strategy has a strong bias to 'blue chip' Australian shares with high dividend yields that are fully franked. Supporting the requirement to maintain the real value of the portfolio, Gardiner Dairy Foundation's Spending Policy dictates that only income is invested back into the Victorian dairy industry and its communities.

Gardiner Dairy Foundation's Strategic Asset Allocation (SAA) has evolved over time and is currently up to 90% in growth assets and 10% or more in fixed interest securities and cash.

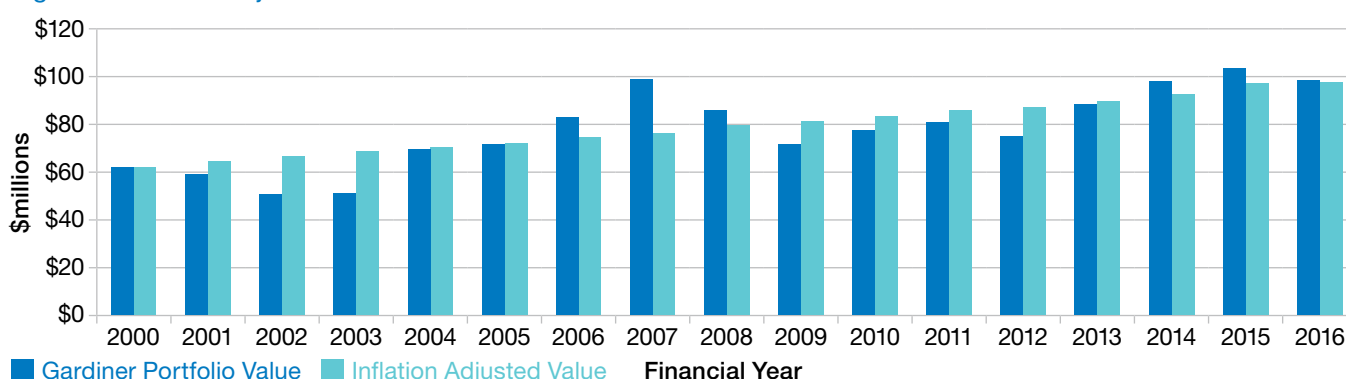
Period	Investment Manager	Approach	Asset Allocation
June 2001 to Nov 2004	State Trustees	Manager of Managers with funds invested in various BT, Merrill Lynch and State Trustees funds	Australian Equity 35% International Equity 25% Property 10% Fixed Interest 15% Cash 10%
Dec 2004 to May 2009	ANZ Trustees	Direct active Stock Selection	Australian Equity 75% Listed Property 5%, Debt Securities 20%
May 2009 to June 2014	ANZ Trustees	Direct active Stock Selection	Australian Equity & Listed Property < 90% Debt Securities & Cash > 10% ¹
Jul 2014 to date	Equity Trustees	Direct active Stock Selection	No change

Although this is a relatively aggressive asset allocation, it has consistently delivered a relatively stable and growing income stream. Whilst there has been some significant volatility in the capital value of the investment portfolio, its real value has been maintained through the economic cycles.

Figure 1 shows the growth of Gardiner Dairy Foundation's investment portfolio from the starting value of \$62.1m in 2000 through to the closing value of \$96.9m at the end of the 2015/2016 financial year. The chart also shows the inflation adjusted value required to maintain the real value

of the original investment which at the end of the 2015/2016 financial year is \$96.4m. While the portfolio value is only 0.5% more than the real value of original corpus, there are also strong cash reserves held outside of the corpus to maintain the Foundation's liquidity (closing balance \$3.9m). The closing value of the investment portfolio was also impacted by a period of market weakness towards the end of year, including an adverse reaction to the United Kingdom deciding to leave the European Union. The market has now fully recovered BREXIT related losses and posted healthy gains through the first few weeks of July (ASX200 up around 8%).

Figure 1: Inflation Adjusted Value of the Investment Portfolio versus Actual Value²



¹The investment manager may tactically increase the weighting in defensive assets according to their view of market conditions.



To pursue the Constitutional requirements set out above, Gardiner Dairy Foundation has established an Investment Management Agreement (IMA) with Equity Trustees. The IMA's income and capital growth objectives are:

Income Objectives

The income objectives (revised in May 2009) are: *"To invest the capital of Gardiner Dairy Foundation in a diversified manner so as to achieve a gross income of not less than \$5,000,000 per annum (including franking credits and after management fees) and; to grow the income of the fund, by at least the rate of inflation over a rolling 2 year period commencing 1 July 2009."* The portfolio has produced income of \$5.7m for the 2015/2016 financial year. While share prices tend to fluctuate, income from the underlying company dividends and franking credits has been relatively stable. The portfolio income compared to the CPI Adjusted Income Objective is shown in Figure 2 below (albeit not on a rolling 2 year basis). The portfolio delivered income of \$5.7m, which is very close to the CPI adjusted objective of \$5.7m.

Figure 2: CPI Adjusted Income versus Actual Income Net of Management Fee and Franking Credits²



Capital Growth Objective

The capital objective under the IMA is: *"To achieve a capital growth in excess of 90% of the S&P/ASX 100 Price Index over a rolling 2 year period"*. The S&P/ASX100 index provides a benchmark for active fund managers whose emphasis is on portfolios of Australia's largest companies. It covers large and mid cap stocks evaluated for liquidity and size³ by the S&P Australian Index Committee.

Financial Year 2015/2016 Assessment

At the end of the financial year 2015/2016, the ASX 100 closed at 4,324, compared to 4,555 at the end of the prior year, which is a decline of 5.07%, and results in a capital growth benchmark of negative 4.56% (90% of 5.07%). Compared to this benchmark over the same time period, the portfolio's capital value declined by 4.82% (\$101.8m to \$96.9m since 2014/2015 financial year).

Rolling 2 year period core objective

The IMA goal is to grow the portfolio in excess of 90% of the ASX 100 over a 2 year rolling period. Over a 2 year period, the ASX 100 closed at 4,324 as at end of June 2016, compared to 4,489 at the end of June 2014, which is a decline of 3.67%, and results in a capital growth benchmark of negative 3.30% (90% of 3.67%). Compared to this benchmark over the period the portfolio declined by 0.20% (\$97.06m to \$96.86m over 2 years).

Table 1: Summary of movement pertinent to the IMA capital objective

	Over 2 Year Period			Previous Reporting Period		
	Jul-14	Jun-16	% Change	Jun-15	Jun-16	% Change
ASX100 Index (A)	4,488.60	4,323.77	3.67%	4,554.70	4,323.77	5.07%
90% Benchmark (B)			3.30%			4.56%
Portfolio Value (C)	\$97.06m	\$96.86m	0.20%	\$101.77m	\$96.86m	4.82%
Performance to Benchmark (C v B)			✓			✗

Although, the portfolio declined marginally (0.20%) over two years to 30 June 2016, it outperformed its benchmark.

Investment Management Performance Reviews

Every three years Gardiner Dairy Foundation engages an independent consultant to review the performance of the investment strategy and the investment manager. The last review conducted by Mercer was received in September 2014 and found that the total returns including franking credits of 10.5% since inception exceeded what they considered to be the relevant benchmark by 1.8%. This is an improvement on the earlier 2011 review where Mercer identified out performance of 1.5%. The next triennial review is due in 2017.

Conclusion

The investment portfolio continues to provide a stable and growing income stream, with \$5.7m of income from interest, dividends and franking credits (net of management fees) in 2015/2016 available for investment back into the Victorian dairy industry and its communities. While the capital value of the portfolio has been quite volatile over the life of Gardiner Dairy Foundation, at the end of 2015/2016 the capital value of the investment portfolio was \$96.7m which is a little higher than the inflation adjusted value (\$96.4m) of the original (\$62m) investment in 2000. The value of the investment portfolio is also supported by the Foundation's healthy liquidity reserves (\$3.9m) and the strong performance of the equity market in first few weeks of the new financial year.

²Note the CPI figure used for 2015/2016 is the percentage change for the 12 months ending March 2016 as the June 2016 figure was not available at the time of preparing this report.

³http://www.asx.com.au/products/capitalisation-indices.htm#sp_asx_100_index

Gardiner Dairy Foundation Project Funding

Since its inception sixteen years ago, Gardiner Dairy Foundation has contributed over \$60m toward more than 730 projects with a total value of \$165m including cash and in-kind contributions from all partners. These project investments have supported dairy industry activities and projects that involve research, development, technology transfer, people and community development.

Gardiner Dairy Foundation works cooperatively across the supply chain and within the advocacy and support network of the dairy industry, providing the funds and the flexibility to adapt to changing circumstances.

In accordance with the current Strategic Direction 2015-2017 there are five areas of strategic investment; pre-farm gate RD&E, post-farm gate RD&E, people development, industry support and community development.

In 2010, the Dairy Moving Forward (DMF) initiative was introduced as the national strategic framework for pre-farm gate RD&E with five priority areas for research programs. These included: feedbase & animal nutrition, animal performance, natural resource management and climate change, farm business management and people. Gardiner Dairy Foundation has prioritised its pre-farm gate RD&E investments to align with the Dairy Moving

Forward framework, with current investments in animal performance, and feedbase & animal nutrition.

Our support for the manufacturing sector, through post-farm gate RD&E is in partnership with Monash University and the award winning Monash Industry Team Initiative (MITI).

Our investment in people development and industry support aligns with our vision to invest in emerging leaders and practices that support the long term future of the dairy industry. Projects support building knowledge and leadership capacity within the industry such as the Nuffield Scholarship and the New Zealand Study Tour.

Gardiner Dairy Foundation continues to strengthen dairy communities via a partnership with the Foundation for Rural and Regional Renewal (FRRR) delivering the small grants program, and by providing tertiary and community leadership scholarships.

In the first year of implementing our Strategic Direction 2015-17 Gardiner Dairy Foundation invested in a small number of large and significant new projects. We continued to support them in 2015/2016 while also funding other on-going projects. Total project investment during the financial year amounted to \$4.9m.



Gardiner Dairy Foundation Project Funding

Innovation Projects

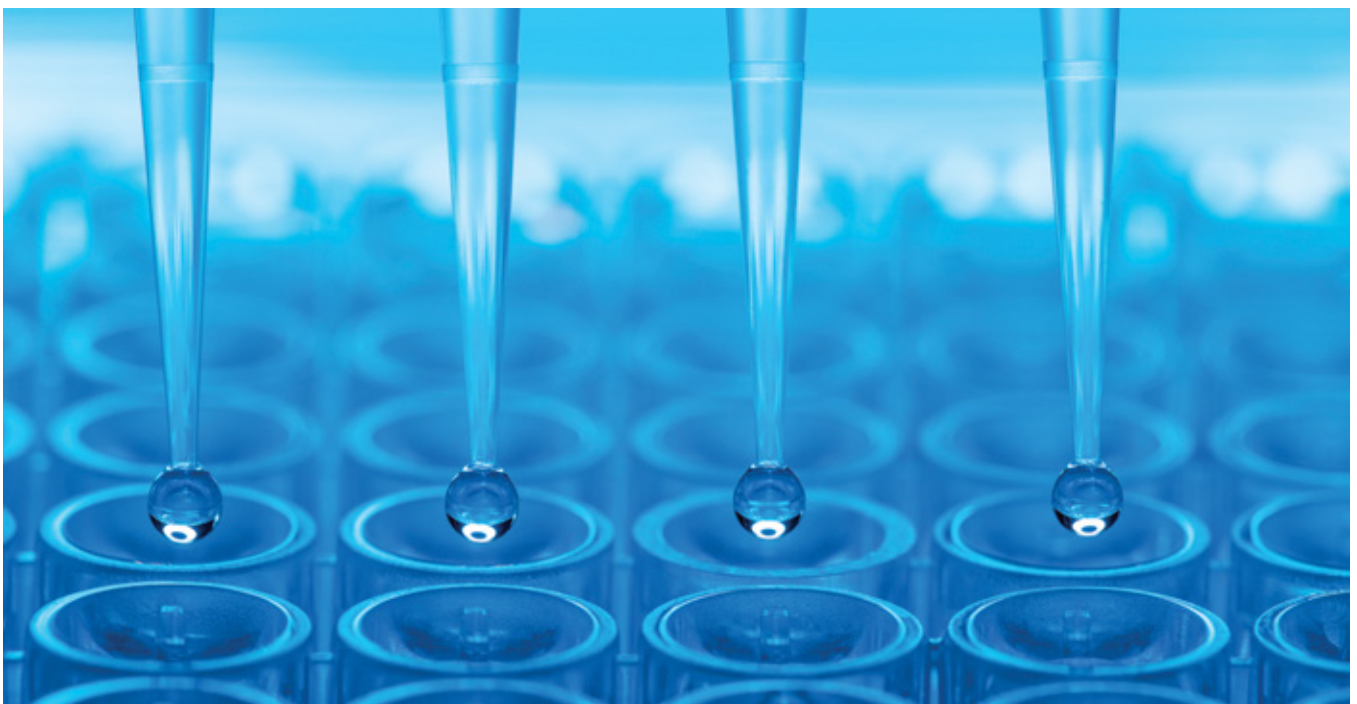
Gardiner Dairy Foundation's Strategic Direction 2015-2017 will deliver on the key industry objectives of profitability, growth and sustainability. The approach is to invest a meaningful amount into a small number of well-targeted projects, generally as a co-investor to maximise the investment's critical mass.

The major innovation investment in pre-farm gate RD&E has been through a Challenge Round. This \$1.5m investment over three years required matching funds and has been directed towards the DMF priority area of animal performance.

The major investment in post-farm gate RD&E has been in collaboration with Monash University and the major dairy manufacturers in a multidisciplinary team approach to applied R&D challenges.

During 2015/2016, in the Innovation Portfolio:

- Eight projects were supported with financial year payments of \$2.1m and total Gardiner Dairy Foundation funding of \$7.9m over the projects lifetimes.
- For each Gardiner Dairy Foundation \$1 invested an average of \$1.6 worth of cash and/or in-kind co-contributions was contributed by project partners.
- The first Challenge Round project, titled ImProving Herds, progressed well towards the goal of driving herd improvement through adoption of existing industry systems and technology.
- The second major pre-farm gate investment scheduled, for 2017, aims to increase performance in dairy farm feedbase with a balanced focus on utilisation of home grown forage. This investment will be preceded by a behavioural science research project in the current year to understand the impediments holding back sustained, improved performance in this area. A report commissioned by Gardiner Dairy Foundation indicates a significant benefit to the industry with a potential value of \$250m.
- Project investment addressing pre and post-farm gate RD&E objectives in 2015/2016 was balanced, with 56% of funding going to pre-farm gate projects, and 44% going to post-farm gate projects.
- The investment in post-farm gate RD&E was concentrated toward the 2015/2016 MITI program, with the goal of exposing contemporary undergraduate and postgraduate students to the sophistication and employment opportunities within dairy manufacturing in regional Victoria.



Gardiner Dairy Foundation Project Funding

ImProving Herds

Genetic improvement has been identified as a major driver of productivity and profit in the Australian dairy industry. The current loss through unrealised potential genetic gain is estimated to cost the industry \$23 – \$40m per annum.

Gardiner Dairy Foundation's collaborative initiative, ImProving Herds, is a three-year \$3.3m project that aims to improve the rate of genetic gain by demonstrating the value of genetics and herd improvement.

Launched in October 2015, the project spans eight dairy regions across Australia, is backed by 30 years of genetic testing data and some of the most experienced genetic scientists in Australia and the world.

ImProving Herds is led by Professor Ben Hayes (DEDJTR) and supported by Dairy Australia, Australian Dairy Herd Improvement Scheme (ADHIS), Holstein Australia and National Herd Improvement Association (NHIA). Each partner brings invaluable knowledge and expertise to the project team and Gardiner is grateful for their commitment to this initiative.

ImProving Herds is Gardiner Dairy Foundation's largest strategic investment in pre-farm gate RD&E, with a focus on animal performance.

The project involves:

- Seven herd test partner farms – tracking the value of having herd test data to inform management decisions, such as culling
- Twenty-seven genetic partner farms – analysing how profit is impacted by focused bull selection and the testing of females
- Demonstrating the contribution that better herd data and higher genetic merit make to on-farm financial performance
- Developing sophisticated modelling to test scenarios on farms and across herds, including the impact of genetic gain on feed conversion efficiency and methane emissions.

Case Study – Genetic partner farm, Victoria

ImProving Herds has already helped farmers make better management decisions under the challenging financial and seasonal conditions of 2016. Josh Balcombe from Warrion, Victoria, was invited to be one of the seven ImProving Herds partner farmers to explore how herd test data makes a difference to his farm-management decisions. He found testing invaluable when it came to culling cows mid-season after the dry conditions and an unexpected fall in the milk price.

"Without the herd recording data we would have been just guessing which cows to cull", Josh said. It also helped with mastitis control, helping him to clearly identify when individual cows needed treatment and if they didn't recover which cows to cull.

Data on individual cows from the twenty-seven genetic partner farms will be separated into two groups in a split herd analysis. One group will contain data from the cows with highest Australian Breeding Values (ABV) and the second group will include records from the cows with the lowest ABVs. The data sets can then be compared, using the drivers of farm profitability such as milk production and fertility, to identify any differences in performance and profitability between the two groups.

Differences in profitability will demonstrate the financial return on the use of higher ABV genetics.



ImProving Herds project partners and Strategic Steering committee members at the project launch, October 2015



Gardiner Dairy Foundation Project Funding

Innovation – Ongoing Projects in 2015/2016

Project Organisations and Partners	Project Title and Description
Monash University, Professor Margaret Alston OAM Australian Research Council	<i>Social sustainability in dairying communities impacted by the Murray-Darling Basin Plan</i> Through research with people in dairy communities in the Murray-Darling Basin, this project will closely examine social sustainability and identify social supports to enhance positive adaptation, as well as individual and community resilience.
Dairy Australia, Matt Shaffer	<i>Health Data for Healthy Cows</i> The objective of this project was to better understand the incidence of health disorders in the Australian dairy herd to provide provisional breeding values to farmers to improve the health of their herds (and hence their profitability), and to inform future R&D around the usage of antibiotics.
Monash University, Madelaine McManus Murray Goulburn, Fonterra Australia, Bega Cheese, Warrnambool Cheese & Butter, Burra Foods	<i>Monash Industry Team Initiative</i> Engineering and Information Technology students with advanced skills are embedded in dairy manufacturing environments for 10 - 12 weeks, to undertake commercially relevant, challenging and rewarding work, with the aim of attracting these skills into a career in dairy.
Department of Economic Development, Jobs, Transport and Resources, Professor Ben Hayes Dairy Australia, Australian Dairy Herd Improvement Scheme, National Herd Improvement Association, Holstein Australia	<i>ImProving Herds</i> This investment aims to demonstrate that profitable herd decisions can be easy for farmers and advisors by testing the economic efficacy of tools and systems that reduce complex science into simple, data-driven practice.
La Trobe University, Professor Terry Spithill Dairy Australia, Department of Economic Development, Jobs, Transport and Resources	<i>Novel approaches to control the current threat of liver fluke in Victorian dairy herds</i> This project's objectives are to assess the ecology and distribution of liver fluke and drench resistance on dairy farms in Victoria. The study will inform a coordinated extension campaign on control measures.



Gardiner Dairy Foundation Project Funding

Innovation – Projects Completed in 2015/2016

Project Organisations and Partners	Project Title and Description
The University of Melbourne, Professor Ken Hinchcliff, Associate Professor Michael Pyman (phase 2) Dairy Australia, Maffra Veterinary Clinic, Warrnambool Veterinary Clinic, Timboon Veterinary Group, Rochester Veterinary Clinic	<i>Rural Veterinary Resident Training Program – increasing veterinary expertise, capacity and research</i> This project increased capability by advancing the training of four veterinarians, who performed clinical work in a rural practice, trained undergraduate students with placements in that practice, and conducted field-based research. The professional development within these individuals will benefit dairy farmers for many years.
Department of Economic Development, Jobs, Transport and Resources, Andy McAllister Murray Goulburn Co-operative, University of Missouri	<i>Farm Web 2.0</i> This project developed an online mapping tool that allows data from aerial photography, weather and soils to be combined; perform a whole-farm nutrient balance; create management zones; incorporate soil test results and map the nutrient status of zones and paddocks within the farm. The tool helps farmers envisage the way nutrients come on and off their property and move across their farm, which supports their fertiliser decisions. The technology is being rolled out as Farm Build, ensuring the investment's legacy.
Swinburne University, Associate Professor Richard Manasseh Australian Research Council, CSIRO Animal, Food & Health Sciences	<i>Ultrasonic Milk Skimming</i> This project determined which parameters are important for the design of an ultrasonic milk separator, built a prototype and optimised its operation whilst also performing research to understand the fundamental phenomena at play.



People, Industry Support and Community Development Projects

Gardiner Dairy Foundation strategically invests in projects to support people and dairy communities. This includes initiatives that support emerging leaders and practices, in addition to local support programs for small dairying communities.

We support the people of the Victorian dairy industry by funding programs and activities that develop their business skills and leadership potential, thereby actively fostering dairy industry leaders of the future.

During 2015/2016, the portfolio supported twenty-eight projects over the three categories (industry support, people and community development). This included financial year payments of \$2.8m, with total Gardiner Dairy Foundation funding of \$6.5 million over the lifetime of the projects.



2016 Study tour delegates on farm in New Zealand



2015 Farm Business Management Program Rabobank Participants
– Cath Jenkins, Dianne Bowles, Stuart Crosthwaite, Alison Potter

People, Industry Support and Community Development Projects

People Development Projects

Farm Business Management Program

Gardiner Dairy Foundation will invest \$1m over three years in a Farm Business Management Program, as the major investment in its people development strategy. The program, run in partnership with the three Victorian Regional Development Programs (RDP's), will professionally develop mid career Victorian dairy farmers in business acumen, risk management and leadership.

The Farm Business Management Program, piloted in 2015/2016, is for farm owners who are looking to take their business to the next level and willing to give back to the dairy industry.

The program offers ten scholarships per annum over three years. Annually, this includes one scholarship for the Australian Rural Leadership Program (ARLP), six for the University of Queensland (UQ) Business School Owner manager Program™, and three scholarships for the Rabobank Executive Development Program. Each farmer will be inducted into the Australian Dairy Leadership Alumni (ADLA) after graduating.

Rabobank Executive Development Program

Cath Jenkins and Allison Potter began the Rabobank Executive Development Program in August 2015 and finished in July this year.

Ms Jenkins and her husband Adam moved from Melbourne to begin dairy farming, at South Purrumbete in Western Victoria, eleven years ago. They started out as sharefarmers – with no prior experience – and now own their property with 240 cows in a self-replacing herd.

When Cath heard in the course “You need to earn the right to grow,” it hit home. “The message that you need to be profitable where you are – before you expand – is an important one.”

Cath is hoping to utilise this course to develop a sustainable business model to balance on and off farm activity, in order to be really good at both. “I am very grateful to Gardiner Dairy Foundation for this opportunity, it was an honour to be chosen and a privilege to be part of the group.”

Allison Potter and her husband Aaron work in a business partnership with her brother and his wife at Poowong North in Gippsland. They started with 300 cows in 2011, bought the farm next door two years ago and now milk 500 cows.

Ms Potter said, “The Rabobank program suited me with two intensive weeks spread over two years and preparation of a strategic management plan for the business in between.”

“The course gives you a set of tools to get the most out of your business, particularly around setting meaningful measurable goals. Interacting with the other farmers has also given me the sense that nothing is impossible.”

UQ Business School – Owner Manager Program™

Andrew and Robyn Tyler have farmed at Tongala in Northern Victoria for twenty-six years where they are now milking 720 cows.

Andrew reflected on the Albert Einstein's quote, “We cannot solve our problems with the same thinking we used when we created them.” “Sometimes we have got to look at things differently – doing the course and removing myself from the day to day, gave me that opportunity.”

After being exposed to such high calibre people in the course he has made a commitment to seek more professional advice in his business.

Since completing the course, Andrew has been proactive in giving back to the industry by sharing learnings with his local discussion group and encouraging other people to apply for the scholarship in 2016. “I acknowledge and thank Gardiner Dairy Foundation for their support of this program which is providing good opportunities for Victorian dairy farmers.”

Australian Rural Leadership Program

Sally Mitchell, from Torrumbarry Northern Victoria, was accepted into the ARLP in 2015 and begins the program in August 2016. She and her husband are milking 500 cows on flood irrigation and have been farming in the area for seventeen years. Ms Mitchell sees the Gardiner Dairy Foundation scholarship as a “fantastic opportunity” and one she is very grateful to have received.

Farm Business Management Program 2015/2016

Scholarship	Recipient
Australian Rural Leadership Program	Sally Mitchell
Rabobank Executive Development Program	Dianne Bowles, Stuart Crosthwaite, Cath Jenkins, Allison Potter
UQ Business School Owner Manager Program	Mark Neville, Matt Reid, Malcolm Holm, Andrew Tyler, Don Stewart



People, Industry Support and Community Development Projects

People, Industry Support and Community Development – Ongoing Projects in 2015/2016

Project Organisations and Partners	Project Title and Description
Nuffield Farming Scholarship Gardiner Dairy Foundation supports a Nuffield Farming Scholarship for a Victorian dairy farmer each year.	John Keely In 2016 John Keely, from Cohuna will investigate better ways to use nutrients from manure and effluent generated in intensive dairy operations, with a specific focus on biological farming systems. He will visit USA, Europe, Israel and New Zealand.
New Zealand Study Tour Gardiner Dairy Foundation/ United Dairy Farmers of Victoria New Zealand Study Tour. A group of young dairy farming workers, students or employees attended an eight day study tour of the New Zealand dairy industry.	Participants Alec Young , Wyuna East Dustin Kemp , Rochester Joey Conheady , Noorat Lachlan Forster , Yarroweyah Luke Randle , Briargolong Matthew Glennen , Terang
Tertiary Scholarships Gardiner Dairy Foundation awarded four new tertiary scholarships in 2016 to assist rural people to undertake tertiary study and continues to fund eight ongoing scholars. The scholarships are named to honor the statesman of the industry. In 2016, the inaugural Shirley Harlock Scholarship was announced.	2016 Scholars Amber Angel , Jacob Malmo Tertiary Scholarship, Bachelor of Nursing, La Trobe University. Liam Groves , Bill Pyle Tertiary Scholarship, Bachelor of Civil Engineering (Honours), La Trobe University. Wade Ivone , Doug Weir Tertiary Scholarship, Advanced Diploma of Agriculture, Longerenong College Kyrra Rea , Shirley Harlock Tertiary Scholarship, Bachelor of Agriculture, the University of Melbourne. Ongoing Tertiary Scholars Owen Cumming , Bachelor of Environmental Engineering (Honours)/Science, Monash University. Lee Forrest , Bachelor of Science, the University of Melbourne. Samantha Conn , Bachelor of Commerce, Deakin University. Hayden Jones , Bachelor of Medicine/Bachelor of Surgery, Monash University. Liana Collins , Bachelor of Nursing/Psychology Science, Deakin University. Mitchell Dodds , Bachelor of Science/Doctor of Veterinary Medicine, the University of Melbourne. Matthew De Cicco , Bachelor of Veterinary Biology/Bachelor of Veterinary Science, Charles Sturt University. Erin Taylor , Bachelor of Veterinary Biology/Bachelor of Veterinary Science, Charles Sturt University.



John Keely 2016 Nuffield Scholar



Monique McMahon-Hide, Rebecca Sexton and Mitchell Dodds after their panel presentation on the Tertiary Scholarships, at Gardiner Dairy Foundation Dairy Leader's Luncheon in Melbourne in February.



Kyrra Rea receives the inaugural Shirley Harlock Dairy Scholarship from the legend herself at the presentation ceremony in Melbourne in February. Ms Rea will undertake a Bachelor of Agriculture at the University of Melbourne.

People, Industry Support and Community Development Projects

Community Development Projects

Victorian Regional Community Leadership Program 2015/2016

Partner: Victorian Regional Community Leadership Program

Gardiner Dairy Foundation has supported more than sixty dairy industry scholars through the five Regional Community Leadership Programs, since 2004. The aim of this investment is to support emerging leaders by giving them access to professional development training at the start of their leadership journey that is based in and focused on, their local community.

In 2015 Gardiner Dairy Foundation funded eight Regional Community Leadership Program Scholarships to a combination of dairy farmers and industry service providers across the dairying regions.

Program	Scholar
Alpine Valleys Community Leadership Program	Lauralee Hogg
Fairley Leadership	Monique Bryant, Lyndal Humphries
Gippsland Community Leadership Program	Michael Croatto, Robyn Mitchard
Leadership Great South Coast	Brendan Rea, Craig Dettling
Loddon Murray Community Leadership Program	Jason Smith

Dairy Industry Capacity Development Through the Regional Community Leadership Programs



People, Industry Support and Community Development Projects

Working in Dairy Communities – Small Grants Program

For fourteen years, Gardiner Dairy Foundation has partnered with the Foundation for Rural and Regional Renewal (FRRR) to deliver the 'Working in Dairy Communities' – Small Grants Program. The aim of this program is to strengthen small Victorian dairy communities, by helping build their capacity to deal with local issues and enhance existing community infrastructure.

Since it began in 2003, over \$1.3m has been successfully funded to 346 grants across 161 small dairying communities in Victoria. On average every \$1 invested by Gardiner Dairy Foundation receives additional leverage of \$3.05 in cash or in-kind co-contributions.

In 2015 Gardiner Dairy Foundation funded thirty-one small grants in total valued at \$100,000.

Small Grants Program 2016 – Gippsland Region – \$31,660

Organisation	Project	Location
Bass Valley Community Group Inc.	Op Shop Shed Replacement: Replacing a storage shed for the Op Shop, creating a safer environment for volunteers, enabling the provision of large items to low income families as well as supporting local operations of a community transport bus that enhances community connectivity.	Bass
Bass Valley Music Festival Inc	Serenade at Sunset: Hire of professional lighting, enhancing cultural experiences and youth and tourism opportunities for a cluster of small rural townships.	Grantville
Briagolong Community House Inc.	Easy Learning through Technology: Internet connected TV and DVD player, expanding training and skill development opportunities.	Briagolong
Fish Creek Memorial Hall Inc.	Fish Creek Memorial Hall Restoration: Refurbishment of the Memorial Hall and creating a safer environment for volunteers and an all abilities accessible venue.	Fish Creek
Heyfield Wetlands Committee of Management Inc.	Trees for the pond 2016: Tree and shrub planting, increasing education opportunities for local students and improving environmental outcomes.	Heyfield
Hillview Bunyip Aged Care Inc.	The Walls are Alive: Installation of a vertical garden wall in aged care dementia ward, leading to increased wellbeing of residents and greater community connectivity.	Bunyip
Newmerella Primary School	From Chicken Coop to Veggie Garden: Replacement of raised garden beds and a chicken pen, enabling primary school students to safely participate in hands-on learning in horticulture, animal husbandry and business management to improve educational outcomes and engagement.	Newmerella
Venus Bay Tarwin Lower and District Mens Shed Inc.	Cutting grass for safety: Ride on mower improving OHS for volunteers and enabling an additional income stream.	Venus Bay & Tarwin Lower
Wonthaggi Neighbourhood Centre Mitchell House Inc.	L2P – Steering to Safety: Contribution towards a new vehicle, enabling ongoing access to driving instruction for local youth, enabling safer roads and increased opportunity to access employment, education and training.	Wonthaggi
Yarram Toy Library	Welcome to the 21st Century: New catalogue system and increased range of toys available at Toy Library to increase attractiveness and enable growth of service that provides early childhood educational opportunities and is socially inclusive.	Yarram



People, Industry Support and Community Development Projects

Small Grants Program 2016 – Northern Region – \$33,418

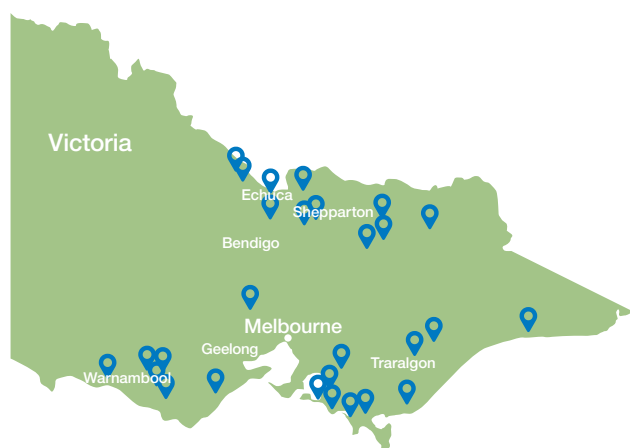
Organisation	Project	Location
Cohuna Neighbourhood House Inc.	Cool Men: Installation of split system air conditioning in Men's Shed, increasing opportunities for participants to enhance their well-being and capacity to contribute to the community.	Cohuna
Dederang Primary School	Outdoor Kitchen: Creation of an outdoor kitchen facility, providing a range of learning opportunities and an environment for the school and wider community to meet and strengthen community wellbeing.	Dederang
Greta Valley Landcare Group	Connecting the cockies – a new website for the Greta Valley: Development of an interactive website and newsletter template, facilitating better communications with members and the wider community to improve local land management and environmental outcomes.	Wangaratta
Heartkids Vic Inc.	Outreach Family Support Program: Strengthening the Shepparton Echuca region outreach program in best practice family support and basic fundraising, improving capacity to support ten families in the region with children suffering from heart disease.	Echuca & Shepparton
Leitchville Community Sporting Complex	Storage Wars: Building a new equipment and storage shed, improving volunteer OHS and enabling multi-purpose use of the community facility.	Leitchville
Lions Club of Tatura Inc.	Community BBQ: Construction of a BBQ, enhancing local amenities at Mactier Memorial Gardens, promoting tourism and strengthening community connectivity.	Tatura
Moyhu & District Pre School	Lighting up our future stars: Improvements to building efficiency – installing lighting, ceiling fans and acoustic roof tiles in order to create better learning conditions and reduce energy costs.	Moyhu
Nathalia District Hospital	First Aid for Us: First aid resources to enable the local delivery of first aid training for community groups, improving community health outcomes and strengthening the capacity of the community to respond to emergencies.	Nathalia
Oxley Primary School Council	Eating Places and Learning Spaces – A new outdoor area for Oxley: Installation of a shade sail, improving OHS and encouraging learning through outdoor play, supporting educational outcomes.	Oxley
Rochester & Elmore District Health Service	It's all about Respect: Helping local youth better understand sexual health issues and respectful relationships in today's society	Rochester
Tatong Recreation Reserve Committee of Management Inc.	Tatong needs water!: Replacement of water tank and pump, ensuring access to running water at community reserve which is used for disaster recovery.	Tatong



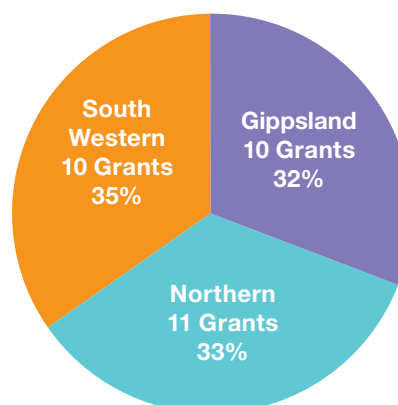
People, Industry Support and Community Development Projects

Small Grants Program 2016 – South Western Region – \$34,922

Organisation	Project	Location
Camperdown & District Historical Society Inc.	Dairy Tales – A history of the Dairy Industry in the Camperdown District: Permanent historical display showcasing the dairying industry in and around Camperdown district improving support for dairy families, creating a sense of place and strengthening local identity and tourism.	Camperdown
South West Healthcare	Dairy Farmer Mental Health: Outreach program delivered in conjunction with other local mental health initiatives and dairy organisations to support dairy farmers and their families to access support and services for good mental health.	Camperdown
Cobden and District Kindergarten Inc.	Swinging into the future: Installation of play equipment suitable for all abilities, improving gross motor skills and enabling all students to reach the full potential of their early childhood development.	Cobden
Cobden Playgroup Inc.	Little Green Thumbs: Installation of a tank and vegetable gardens in play area, supporting sustainability education and early childhood development and promoting community inclusion.	Cobden
Deans Marsh Community Cottage Inc.	Running for the Marsh: Support for inaugural fun run to promote active healthy lifestyles, improve community health and connectedness and raise funds for local initiatives.	Deans Marsh
Friends of St Brigid's Association	Keeping Crossley Hall Cool & Comfortable: Refurbishment of Hall to improve the sustainability, OHS and usability of the well-used, community owned and operated venue.	Koroit
Kirkstall Recreation Committee	Cooking up Community: Construction of a public BBQ area, enhancing local amenities at the recreation reserve, promoting tourism and strengthening community connectivity.	Kirkstall
Simpson & District Community Centre Inc.	Community Garden Stage 2: Resourcing a new community garden, improving disabled access and inclusiveness and strengthening social connections, while also improving wholesome food accessibility and reducing obesity.	Simpson
Simpson & District Kindergarten Inc.	Simpson Community Three Year Kinder Project – Before the Bell: Enabling continuation of the three year old kindergarten program until the end of 2016, supporting a small community to deliver best quality early childhood development, literacy and numeracy locally.	Simpson
St Patricks Primary School Koroit	Green Room: Construction of a green room/outdoor classroom, providing experiential learning opportunities and learning through outdoor play, supporting educational outcomes.	Koroit
The Scout Assoc of Australia Branch	A breath of fresh air for Noorat: Installation of heating and cooling to improve amenities in the community hall, and increase attractiveness of venue for user groups.	Noorat



Geographic distribution of grants across the three Victorian Dairying regions



Funds distributed by dairy region

People, Industry Support and Community Development Projects

Strengthening Small Dairy Communities

Strengthening Small Dairy Communities (SSDC) was a pilot project with a goal to assist communities to help themselves in their development. The pilot was conducted in two dairy regions, Lower Tarwin and Mitta Valley. In both cases, community leaders developed a shared vision, identifying priorities for initiatives that were agreed to be the most important for the future. The priorities agreed in the Mitta Valley included agriculture, business development (specifically in food-related tourism) and families.

Small grants were awarded in the Mitta Valley during 2015/2016 to support these priority areas. Ten proposals requesting \$10,000 or less were selected for a total value of \$92,480. Many projects leveraged off each other, with one particularly commendable proposal resourcing a central governance structure to administer all small grants from this project and find funding for future initiatives. This high level of collaboration demonstrated the community cohesion and alignment created by the project.

The Strengthening Small Dairy Communities Pilot has now concluded.

Organisation	Project	Location
Mitta Valley Advancement Forum – Business Working Group	Building Profit from Local Produce - Mitta Valley Farm Gate Trail	Eskdale
Mitta Valley Advancement Forum – Community Working Group	A supported and sustainable future	Eskdale
Mitta Valley Advancement Forum – Community Infrastructure Working Group	Mitta Valley Where You're At Signage	Mitta Valley
Mitta Valley Advancement Forum – Event Working Group	Mitta Valley High Country Cycle Challenge	Mitta Valley
Eskdale Primary School – Families Working Group	Mitta Valley Outside School Hours Care (OSHC)	Eskdale
Mitta Valley Advancement Forum – Farming Working Group	Making Money from Grass - Not that kind of grass!	Mitta Valley
Mitta Valley Advancement Forum – Tourism Working Group	Mitta Valley making an online splash	Mitta Mitta
Dartmouth Community Progress Association	Shelter for heritage items and footings for three heritage buildings	Dartmouth
Mitta Valley Bowling Club	Ensuring safety and accessibility at the Mitta Valley Bowling Club	Eskdale
Mitta Valley Volunteers Commuter Group	The continuance of the Mitta Valley volunteer transport service	Mitta Valley



People, Industry Support and Community Development Projects

Sponsorships and Scholarships 2015/2016

Recipient	Sponsorship/Scholarship
The Crawford Fund	2015 Parliamentary Conference Scholarship Recipients: Mary Abdelsayed and Martin Foerester
Great South West Dairy Awards	Employer of the Year
United Dairy Farmers of Victoria	UVD Annual Conference: Young dairy farmers breakfast
Heywire	Gala Dinner at National Heywire Summit, Sarah Saxton and Mary Abdelsayed
Association for the Advancement of Animal Breeding and Genetics (AAABG) Conference	Annika Alexander, Stephanie Bubnich, from the faculty of Veterinary and Agricultural Science University of Melbourne
Bovine Appreciation Group (BAG), University of Melbourne	Bovine Appreciation Group (BAG) Dinner, Vivienne Tran
WestVic Dairy	Dairy Inspire, One day business workshop
Faculty of Agriculture and Veterinary Science, University of Melbourne	Dean's Lecture, Jack Bobo
Primary Industries Education Foundation	Agricultural Teachers Conference
Australian Dairy Conference	Satchel insert – 2016 Farm Business Management Program Brochure



Mary Harney and Brendan Rea winner of the 2016 Employer of the Year award



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