



GARDINER FOUNDATION

ANNUAL REVIEW 2009

Our Business at a Glance

The Gardiner Foundation was established with in excess of \$60 million of funds and is deeply embedded in the Victorian dairy industry. It uses its independent structure to invest in projects that have significant impact on the Victorian dairy industry, and dairying communities, for the benefit of the wider community.

The Victorian Dairy Act 2000 created the Gardiner Foundation. Member organisations include the Victorian Farmers Federation Property Trust Ltd on behalf of the United Dairyfarmers of Victoria Commodity Group of the Victorian Farmers Federation, Milk Processors Association of Victoria Incorporated and the Victorian Dairy Products Association Incorporated.

Headquartered in the Melbourne CBD the Foundation is structured as a company limited by guarantee and led by a well-networked, multi-skilled Board of five industry leaders. The Foundation employs a team of seven people who are actively engaged in boards and committees that identify priority issues and respond with investment in innovation across the dairy value chain. The Foundation is also delighted to have as its Patron the Governor of Victoria, Professor David de Kretser AC.

Since beginning operations in 2000 the Foundation has invested in excess of \$28.5m in cash contributions to projects. With partner co-funding this represents \$129.5m in innovation across the dairy value chain. At any one time the Foundation typically has a portfolio of 90 active projects, which with partner contributions, represents around \$25m of new innovation. Key investment streams include longer-term capability building and annual rounds of funding in Innovation and Community and People Development. Approximately one half of the Foundation's investment directly impacts on-farm operations, the other half directly impacts manufacturing, the science underpinning health claims and community development.

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2008-09 Key Milestones

- Despite tough financial markets Gardiner Foundation's capital fund outperforms ANZ Trustees capital benchmark by more than 2.0%. Gardiner Foundation completes the reporting period with \$72.35m in reserve. By September 2009 improved financial markets resulted in growth of this reserve to \$84.5m.
- The Gardiner Foundation team manages a portfolio of 90 projects worth \$25m. The team processes 150 applications and independent dairy leaders recommend 58 new projects for funding.
- Gardiner Foundation maintains project spend at \$6m per annum for the second year in succession with 2009/10 spend expected to continue at the same level.
- Directors and staff remain actively engaged in industry boards and committees that identify priority issues and respond with innovation investment across the dairy value chain. Substantial new Gardiner Foundation investments in dairy farming systems, enhancing business skills and developing a pool of dairy veterinarians aligns with the industry's pre-farm gate priority issues.
- The \$12.5m Gardiner Foundation initiated Dairy Health and Nutrition Consortium brings together Melbourne's world class medical research with innovative dairy companies. The Consortium enters a second phase with \$682k of co-funding for company specific projects. Total value of the project investment is \$3.2m including partner contributions.
- The Gardiner Foundation continues its proud record of innovation in community and people development. After three years of Foundation funding, the Young Dairy Development Program was handed to new sponsors with a sustainable program and membership base in excess of 1000.
- The Gardiner Foundation continues to refresh its team and operations. During the year members agreed to a succession plan for Directors and program funding guidelines, assessment criteria and boilerplate funding criteria were enhanced.

Chairman's Review 2009

I am pleased to present this Annual Review of the Gardiner Foundation's operations for 2009, particularly as this signals the approach of a significant milestone for the Foundation, as we enter our tenth year of operation.

The dairy industry continues to operate in challenging circumstances. Milk pricing was identified by dairy farmers as the greatest current and future challenge. Climate and the cost and availability of irrigation water were the next most often mentioned challenges⁽¹⁾.

The Gardiner Foundation, as with organisations everywhere, was also impacted by the extreme volatility in world money markets, as first reported in my Review of 2008. These negative impacts continued during the past financial year and resulted in a decline in the value of the Foundation's capital base at the end of the financial year. Nevertheless the capital fund generated \$5.24 million in income for the 12 months to June 2009 and achieved a yield in excess of 6%.

In a year when the share market fell by 23.3% the Foundation's capital fund outperformed ANZ Trustees' capital benchmark by more than 2.0%.

Signs of improvement began to appear and in the final quarter of 2008-09 our investments showed positive growth and returns. After allowing for all disbursements, the value of the Foundation's capital base was \$72.35 million at 30 June 2009. Further market improvement after the end of the reporting period saw the capital base value grow to \$84.5 million at end September 2009.

In its first nine operational years the Foundation has, with partner organisations, generated \$129.5 million of new investment for the benefit of the Victorian Dairy Industry and its communities, toward which the Foundation has committed \$28.5 million.

The Foundation's key investment streams are structured around longer-term capability building and annual rounds of funding in Innovation and Community and People Development. Details of new projects are provided later in the Annual Review.

The Foundation is deeply embedded in the Victorian dairy industry but is different from other funding bodies because its independent structure gives agility to respond more quickly to changing priority issues and in specific cases, the Foundation can invest where other major funding bodies cannot.

The Foundation is also one of the few industry organisations working across the complete dairy value chain and the only industry investor engaged in strengthening small dairying communities. It ensures that its project investments are aligned to industry priorities by maintaining close linkages with Government and principal dairy industry stakeholders, and through participation in policy making activities. As in past years, the specific funding initiatives reflect these circumstances.

(1) Source: Dairy Australia Situation & Outlook Report

As a further example, in the latter part of 2008 the Board sought to introduce a new, major funding initiative to benefit the Victorian dairy industry. An Expert Steering Group was appointed, led by Dr Nick Gough (Nick Gough & Associates) and comprising Professor Colin Holmes (Massey University, ret.), Dr Clive Noble (Department of Primary Industries Victoria) and Professor Richard Roush (The University of Melbourne) to consider where the Gardiner Foundation could make a major impact for the industry.

Subsequently Professor Jock Macmillan was appointed to lead the development work, in collaboration with Dairy Australia and the Department of Primary Industries Victoria, leading to the introduction of the Flexible Dairy Businesses Program early in 2010. SED Consulting was retained to independently develop a business plan.

This initiative will enhance the flexibility of dairy businesses to respond to changes in climatic and economic conditions. Currently, poorly supported decisions and limited responsiveness are harming industry wealth and confidence, as well as margins. This initiative will build capability within the sector whilst emphasising the value of 'whole of systems' thinking with the intention of improving long term industry sustainability and diminish industry vulnerability to external volatility.

The Foundation is approaching its tenth year of operation, and the majority of directors guiding its operations have served on the Gardiner Foundation Board since inception. Looking to the future an external independent Board Succession Review was commissioned to identify options for Board renewal.

The Review considered that the Board has been very effective and that during its tenure the Foundation has become a well established and highly regarded part of the Victorian dairy industry. Nevertheless plans for succession need to be put in place to ensure the continued smooth operation of the Foundation and they will be formalised at the Annual General Meeting in November 2009.

I wish to express my appreciation to the Foundation's Member Organisations for their support and cooperation during the past year. I am grateful also to project and research organisations for their excellent work, and the positive support of the dairying community for what is being achieved.

Finally I acknowledge the support and cooperation of my fellow Directors and express appreciation to the Chief Executive and his staff for their contributions during 2009.



Chris Nixon
CHAIRMAN

Chief Executive's Report

As we complete the 2008-09 Operational Year I take pleasure in reporting on the Foundation's achievements and foreshadow some of the initiatives we plan for 2009-10.

At any one time the Foundation has around 90 active projects in its portfolio of investments. With co-funding these projects represent in excess of \$25 million in new innovation across the \$12.5 billion Australian dairy value chain. Larger projects are \$1million plus investments in the science underpinning pasture improvement; the science underpinning consumer label claims and in breakthrough technologies in powder manufacture. Smaller but critical investments include building infrastructure in dairy communities and provision of scholarships that ensure dairy farming families are not foregoing their children's education as a result of reduced cash flow in drought conditions.

From the 150 applications for funding in 2008-09 the Foundation commissioned 58 new projects. These projects were selected by a team of independent assessors who are recognised and respected industry leaders in the fields of science, dairy farming and dairy manufacture plus community development. Projects were selected on the basis of their impact on the dairy industry and dairy communities in Victoria. These 58 new projects are each listed in this document. All of the projects have commenced and are being proactively monitored towards delivery of on time/on budget outcomes for the dairy industry.

During the year in review both the Federal and Victorian State Governments proposed strategies to respond to climate change. The Foundation currently has investments of \$4.3 million in efficiency/productivity related projects which align to these strategies. Examples are the \$1m plus investment at DPI Victoria to improve feed conversion efficiency and reduce green house gas emissions by dairy cattle. Other projects include new sustainable systems for cleaning farm milking equipment, environmentally sustainable use of dairy pond sludge, development of new pasture grasses, improving water efficiency in dairy grazing pastures, and reduced energy requirements to convert milk to dairy ingredients.

In last year's Annual Review the Gardiner Foundation team promised to deliver on a new \$12.5 million Dairy Health & Nutrition Consortium, a partnership between the Foundation, six dairy companies, Dairy Innovation Australia and Dairy Australia. In February 2008 the Consortium was launched by the Gardiner Foundation's Patron the Governor of Victoria Professor David de Kretser AC. Victoria has a unique convergence of a world's leading dairy industry with internationally respected research in medical science. The Consortium partners have commissioned work at the Baker IDI Heart and Diabetes Research Institute, Deakin University and the CSIRO Human Nutrition Group to build science that underpins consumer label claims. The Consortium entered a critical second phase with \$682k of co-funding for company specific projects. Total value of the project investment is \$3.2m.

In 2008 for the first time in 60 years the total number of people in the Australian workforce is shrinking. This creates a "war for talent" in which the Australian dairy industry competes with other industries to "*attract, retain and develop*" talented people. In the past the Foundation has pioneered the "*Cows Create Careers*" Project that has attracted Year 8 and 9 Secondary students to dairy; provided scholarships to support dairy students undertaking tertiary studies and provided long term support of dairy places in leadership programs at Regional and National level. In 2008-09 support for these programs continued. In addition we have funded the second stage development of the Young Dairy

Development Program. This investment took the program State-wide and built membership to around 1,000 members. In addition the Gardiner Foundation is nearing completion of its investment in the highly successful DairySAGE Mentoring Program and provided funding for the business case to establish a regional leadership Program in South West Victoria.

Strengthening small dairying communities has continued to be a priority for the Foundation. The drivers for this initiative are the Dairy Australia reports which show 100,000 people work in the Australian dairy industry, of which 60,000 live in regional communities of less than 5,000 people. The viability of the dairy industry is therefore defined by the strength of these small dairying communities. In 2009 the Foundation continued to provide \$5,000 grants through the Foundation for Rural & Regional Renewal (FRRR) to build infrastructure in small dairying communities. These projects leave small communities with the legacy of leaders who know how to mobilise a project team, win funding and manage the project to positively impact that community.

The once in 100 year drought conditions, particularly in Northern irrigation areas have again tested the industry in 2008-09. The Foundation has continued the partnership with Dairy Australia to fund initiatives which respond to these changing conditions. The Foundation's contribution in early 2009 was full funding for Murray Dairy Business Networks and part funding for the Murray Dairy and GippsDairy Regional Drought Coordinators. The Foundation was concerned that dairy farming families might be foregoing their children's education as a result of reduced cash flow and created five \$10,000 scholarships for students from dairy families enrolled in undergraduate courses and living away from home. The Foundation has extended this program in early 2009 by offering 10 additional scholarships to TAFE students.

In 2008-09 the Foundation team continued to develop high levels of engagement with networks right across the Victoria dairy demand chain. Our intent is to invest the Foundation's funds in projects that help create a flexible and vibrant future for the Victorian dairy industry. The Foundation is committed to using its independent structure to move quickly to support the dairy industry's priority projects.

The Foundation's statutory audit of its financial statements has been performed by Ernst & Young for the financial year to 30 June 2009.

2008-09 has been a challenging year for the dairy industry but I have valued the support of industry stakeholders, the Foundation's Chairman, Directors, and staff. Together we will keep focused on generating positive outcomes for the industry.



Paul Ford
CHIEF EXECUTIVE

The Gardiner Foundation Patron and Directors

***Professor David de Kretser, AC
Governor of Victoria***

Patron of the Gardiner Foundation

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.

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.

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 RDA BVSc PhD FTSE FAA, Director

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 BAgSc (Hons) PhD DSc FRSNZ, Director.

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 non-executive director of Meat Biologics Ltd and Speirs Nutritionals Ltd in New Zealand.

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.

Doug Chant, Director

Doug is a fourth generation dairy farmer who, with his wife Laureen, owns and operates a 250 cow family farm at Warrion, north of Colac, in Western Victoria. He was President of the United Dairyfarmers of Victoria from 2005-09. He has been a member of the Victorian Farmers Federation for 21 years and served on the VFF Water Resources Committee for 18 years, 6 as Chairman. Doug also served as an Executive Board Member of VFF and as a Director of the Board of Farrer House. He was also formerly Vice President of Australian Dairy Farmers.

Doug has a keen interest in natural resource management and was appointed to a Federal Government National Review Committee which advised on the future of the Government's \$3.5 billion natural resource management programs – the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality. Other former roles included: board member of Southern Water, member of Australian Dairy Farmers Natural Resources Advisory Group and ADF representative on the National Farmers Federation Water Taskforce; member of the State Ground Water Council (Victoria).



Board of Gardiner Foundation (l. to r.): Professor Graham Mitchell AO, Doug Chant, Professor Paul Moughan, Chris Nixon (Chairman) and Ian MacAulay.

The Gardiner Foundation Team

Paul Ford, Chief Executive

Has extensive experience in the agrifood sector in government and the private sector. 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 and Corporate Lawyer

Manager, Community and People Development (since January 2009)

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 Service Pty Ltd.

Cynthia Mrigate, Program Administration and 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. He has recently completed an MBA.

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 and People Development (until January 2009)

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

Worked for 12 years with the National Herd Improvement Association where she managed the office and financial functions.

Professor K L (Jock) Macmillan

In 2008 Professor Macmillan was appointed as Project Manager to lead the development work, in collaboration with Dairy Australia and the Department of Primary Industries Victoria, leading to introduction of the Flexible Dairy Businesses Program early in 2010.

He brings to this appointment over 40 years of research, teaching and extension experience in Australia, New Zealand and the US dairy industries.

Gardiner Foundation Funding Programs

Drivers for Gardiner Foundation Funding

The Foundation has identified three drivers that should underpin its investment in innovation. These drivers are:

Capability Building

The Foundation defines “*capability*” as the power to achieve desired outcomes and having the capacity to do so. By investing in capability in underpinning science, technology or services the Foundation creates a highly capable, agile and responsive infrastructure that provides relevant and timely support to the Victorian dairy industry on priority issues for the public good.

Recent examples of the Foundation’s investment in capability building are:

- \$2m invested in better pastures at the Molecular Plant Breeding CRC
- \$1m invested in enhanced feed conversion efficiency
- \$875k invested to establish Dairy Innovation Australia Limited
- \$5m invested to create a \$12.5m Dairy Health & Nutrition Consortium

Innovation

Applicants are encouraged to build a business case around innovation that will impact at farm, factory, consumer or community level. The Foundation actively encourages projects that demonstrate best practice innovation process. These include global networks to avoid duplication of work being completed overseas; more effective links between science providers and end users, ensuring intellectual property does not become a barrier to innovation; and, “open innovation” which allows end users to collaborate on underpinning innovation thereby using limited funding with maximum impact.

Recent examples of the Foundation’s investment in innovation are:

- \$1.5 to extend the lactation of dairy cows.
- \$1.5m to improve potable water utilisation and reduce effluent in dairy processing
- \$700k to cut production costs and improve functionality of milk powder
- Other investments include use of ultrasonics as a novel processing aid, the reduction of bio-films to extend production runs and development of methods which determine the provenance of milk powder.

Community and People Development

Demographic data shows the Australian workforce is shrinking for the first time in 60 years. An imperative for dairy is to ensure it competes with other sectors to “*attract, retain and develop*” talented people. The same demographic data shows that of 100,000 people who work in the Australian dairy industry 60,000 live in, and contribute to small rural communities of less than 5,000 people.

The Foundation has a proud track record of new innovation in community and people development. Recent investments include:

- Pioneering *Cows Create Careers* project which provides Year 8&9 students with a first taste of dairy and now runs nationally.
- Building the *Young Dairy Development Program* to a Statewide program with 1,000 members.
- Building the *Sustainable Dairy Farm Families* initiative now operating as the National Centre for Farmer Health funded by the Victorian Government.

- Developing a *Sustaining Volunteerism in Small Communities* project now run across South Western Victoria.
- Pioneering the *DairySAGE Mentoring Program* that now runs across Victorian and Queensland dairying areas.
- Leadership Programs that have helped develop the next generation of dairy leaders.

Gardiner Foundation Funding Processes

Foundation funding programs are highly competitive, merit based programs with assessment processes designed to ensure only the highest quality projects are funded. Applicants for funding are requested to submit a compelling business case based on four selection criteria:

- What is the unique proposition being developed? Applicants need to demonstrate that the proposition is new, an adaptation from another industry to dairy or an adaptation of overseas technology to a Victorian dairy industry environment.
- What is the impact of the project at farm, factory, consumer or community level?
- A detailed project plan is required with objectives, milestones and project management details clearly articulated. This project plan must demonstrate that the project will deliver impact for the Victorian dairy industry.
- The skill balance and track record of the project team to deliver the stated outcome.

Applicants are encouraged to contact the Foundation with their proposed project concepts. The Foundation's Program Managers provide feedback and advice on how the draft application could be improved. Most successful applications have involved feedback from the Foundation on three or four occasions during the development phase.

Applicants are encouraged to view Gardiner Foundation funding as seed funding and to seek additional funds from other sources. In-kind contributions can be valued and included in the project budget. The Foundation does not expect to be a sole funder.

Project funding will be made available after an application has been lodged, the competitive selection process completed, Gardiner Foundation Board approval is in place, and a Project Agreement between the applicant organisation and the Foundation has been signed. Projects will not receive more than the amount outlined in the signed Agreement.

To be eligible for funding the applicant must:

- have an Australian Business Number,
- be financially sound, with a demonstrable and established track record,
- demonstrate the ability to fund, or secure third party funds, for the project costs, and
- demonstrate commitment and capacity to resolving the project challenge/s and following through outcomes and impacts which benefit at least one sector of the Victorian dairy value chain.

The Foundation considers eligible activities for funding to include development related activities, as well as costs directly associated with delivering impact at farm, factory, consumer or community level. It is expected that activities funded by the Gardiner Foundation would be predominantly undertaken within Victoria and would demonstrably benefit the Victorian dairy industry.

Foundation funding is not available for:

- ongoing commercial activity,
- purchase of land or building expenditure other than minor maintenance of community facilities,
- remuneration and related costs of personnel not directly engaged in project activity,
- formal education courses,
- salary, overheads or other costs of government funded agencies (except where a fee for service is normally charged,
- projects seeking funding of a recurrent nature,
- welfare projects.

The Assessment Process is undertaken by a multi-skilled team of senior industry leaders. All assessors have signed a Confidentiality Agreement with the Foundation. Assessors independently score each application against each of the four Selection Criteria. There is an equal rating on each criterion. Scores are returned and collated by Foundation staff. The Chief Executive of the Foundation then chairs a meeting of assessors. The objective of this meeting is to discuss outlying scores – where individual assessors have scored a particular criterion higher or lower than others. This process effectively ranks applications and ensures only the best projects are funded.

Senior Program Managers at Dairy Australia are provided with a list of applications by title, project description and funds requested. Dairy Australia feedback on this identifying data is a double check that the project applications are aligned with industry priority issues and that there is no duplication of funding.

Applicants are provided with feedback on the assessment of their application. Resubmissions of unsuccessful applications that have been improved by the feedback process are encouraged. These resubmissions are processed in the next available round of funding.

The assessor's recommendations for funding are submitted to the Foundation's Board for final approval before an "Offer of Funding" is made to the successful applicant.

The Foundation has developed a boilerplate contractual agreement as part of the application process. Details of the boilerplate agreement are provided on the Foundation's website. Applicants are asked to attest on the application to the fact that if offered funding they will accept the boilerplate agreement as the basis for the contract between the Foundation and provider. This process has radically shortened the timeframes between application and actual funding.

New Project Funding in 2009

Capability Building Projects

Dairy Health and Nutrition Consortium

The three Substantiation Stream projects announced in 2008 are well under way and already producing results that are useful to the dairy company members. They are *Real dairy diets for human health* (Deakin University), *Obesity and obesity related disease* (Baker Heart and Diabetes Institute) and *Increasing dairy food consumption in children* (CSIRO Human Nutrition). These are funded 50:50 by the Gardiner Foundation and the Industry Members with the aim of developing capability companies can use in their own programs. Our 1:2 funding then enables members to use this capability to deliver health benefits to the wider community through enhanced dairy products. We are glad to announce that there are projects coming through this pipeline.

In addition to the three major projects announced in 2008, the Consortium was proud to co-host with Dairy Australia a one-day conference titled *Healthy Directions for Dairy* in October 2008. This was an opportunity to engage the wider dairy industry on issues of health and nutrition and to continue to set the strategic direction. World-renowned speakers Clint Laurent (Global Demographics) and Julian Mellentin (New Nutrition Business) provided key-note addresses that detailed market drivers, marketing trends and consumer needs. The conference was attended by over 80 key stakeholders.

The Consortium continued to build links between the member dairy companies and research providers through a successful round of road-shows visiting production sites or head offices of all members for seminars and workshops.

We also had a presence at a number of other major health and nutrition functions such as the closing conference of the *National Centre of Excellence in Functional Foods and Healthy Directions for Dairy Day*, DIAA's *Dairy Science World Series and Nutrigenomics 08* – a conference on *Diet-Gene Interaction in Human Health and Disease*.

New DHNC project in 2009

The Foundation has committed \$682k funding to the following new project with a total value of \$3.2m including contributions from partner organisations.

MG Nutritionals
Project Leader
Dr Ross Crittenden

Clinical research program to develop a novel milk fraction for nutraceutical and pharmaceutical applications

New Innovation Projects in 2009

The Foundation has committed \$1.5m funding to new projects with a total value of \$3.1m including contributions from partner organisations.

Project Organisation & Partner Organisation(s)	Project Title
Dairy Industry Association of Australia SUBStitution Pty Ltd Project Leader Doug Eddy Chairman DIAA Publications Committee	<i>Online bibliographic archive for the Australian Journal of Dairy Technology</i>
Dairy Innovation Australia Limited The University of Queensland The University of Tasmania CSIRO – Food and Nutritional Sciences Project Leader Dr Ian Powell Cheese and Cultured Products R&D Manager	<i>Understanding spore-forming bacteria in Australian dairy products</i>
DemoDAIRY Co-operative SED Consulting Project Leader Louise Sheba Business Development Manager	<i>Planning for a modern research and development milk harvesting facility for the Western Victorian dairy region</i>
Murray Dairy Inc Project Leaders Natalie Akers Chief Executive Officer John Gibney Project Manager	<i>Murray Dairy Business Networks</i>
Tatura Milk Industries Limited Project Leader Tony Bramwell Process Improvement/Environmental Coordinator Co-funded by Department of Agriculture Fisheries and Forestry	<i>Milk conversion cost efficiencies through the adoption of real-time metrics and analysis</i>
The University of Melbourne Maffra Veterinary Clinic Timboon Veterinary Clinic Warrnambool Veterinary Clinic Dairy Australia Limited Project Leader Professor Ken Hinchcliff Dean Faculty of Veterinary Science	<i>A rural training scheme: upscaling veterinary capacity through dairy practice-based research, knowledge transfer and graduate training</i>
The University of Sydney Dairy Technical Services Project Leader Assoc.Prof. John House Director, Livestock Veterinary Teaching and Research Unit	<i>Development of mycoplasma bovis molecular diagnostic tests and investigation of the incidence of mycoplasma in eastern Australian dairy herds</i>
The University of Tasmania UniQuest Pty Ltd Project Leader Dr Tom McMeekin Emeritus Professor	<i>Novel antimicrobial effects from incompatible solutes: dairy-related proof of concept applications</i>

Innovation Program allocation of funds for industry conference sponsorships through 2009-10.

New Community and People Development Projects in 2009

The Foundation has committed \$693k funding to new projects with a total value of \$2.62m including contributions from partner organisations.

Project Organisation & Partner Organisation(s)	Project Title
Colac Otways Shire Council Australian Industry Group South West Local Learning and Employment Network Westvic Work Force Western District Employment Access Colac Colac Otway Workforce/Victorian Group Training Company R J Hester Gordon Institute of TAFE Colac Secondary College Project Leader Mike Barrow Manager Economic Development Cr Chris Smith, Dairyfarmer/ Councillor, Colac Shire Council	<i>Going forward with dairying</i>
Community Leadership Loddon Murray Inc Project Leader Julie Slater Executive Officer	<i>Promoting and supporting dairy and community initiatives in the Loddon Murray Region</i>
GippsDairy Board Inc Dairy Australia Limited Project Leader Dr Danielle Auld Executive Officer	<i>Well managed dairy farms – cementing the fundamentals in the Gippsland dairy industry</i>
Gippsland Community Leadership Program (auspiced by I-Gain Quality Learning Inc.) Project Leader Bronwyn Debenham Program Director	<i>Gippsland dairy industry leadership and the Gippsland Community Leadership Program</i>
Moyness Shire Council Corangamite Shire Council Project Leader Steve Dawkins Director Community and Corporate Support	<i>Leadership Great South Coast Program</i>
Murray Dairy Inc Project Leader Natalie Akers Chief Executive Officer	<i>A Regional Coordinator for the Murray Dairy Region</i>
Nuffield Australia Project Leader Jim Geltch Chief Executive Officer	<i>Nuffield Farming Scholarship for a Victorian dairy farmer</i>
The Goulburn Murray Community Leadership Program (Fairley Leadership) Project Leader Lisa McKenzie Executive Director	<i>Sponsorship of four places in the Fairley Leadership Program for individuals involved in the dairy industry</i>
Victorian Farmers Federation/UDV National Centre for Dairy Education Australia Federated Farmers of New Zealand Project Leader Val Hilton Manager United Dairyfarmers of Victoria	<i>UDV/VFF 2010 Dairy Apprentice Tour to New Zealand 2010</i>

Victorian Farmers Federation/UDV		<i>Understanding dairy company structures</i>
Project Leader	Val Hilton Manager United Dairyfarmers of Victoria	

Victorian Farmers Federation/UDV GippsDairy Board Inc		<i>Young Dairy Development Program (Building the capacity of young people in the dairy industry) (Funding for YDDP activities and development of a business plan during the transition phase to become an industry-supported initiative led by GippsDairy Board on behalf of Murray Dairy and WestVic Dairy.)</i>
Project Leader	Val Hilton Manager United Dairyfarmers of Victoria	

Victorian Farmers Federation/UDV GippsDairy Board Inc		<i>Community development through increased networking (Increasing linkages between UDV Members and Members of the Young Dairy Development Program.)</i>
Project Leader	Val Hilton Manager United Dairyfarmers of Victoria	

Victorian Farmers Federation/UDV		<i>UDV Central Council Strategic Planning Workshop</i>
Project Leader	Val Hilton Manager United Dairyfarmers of Victoria	

Victorian Farmers Federation/UDV		<i>Bushfire emergency assistance: assessment of fencing requirements in bushfire affected areas of Victoria</i>
Project Leader	Val Hilton Manager United Dairyfarmers of Victoria	

WestVic Dairy Inc		<i>Driving down the Track: Dairy 2020</i>
Project Leader	Mike Weise Executive Officer	

Community and People Development Program allocation of funds for industry conference sponsorships through 2009-10 and for Gardiner Dairy Scholarships in 2010.

Gardiner Dairy Scholarships – University – 2009		
Emma Ferguson , of Tennyson		<i>Bachelor of Education (Physical Ed.)</i> University of Ballarat
Astrid Hildebrand , of Leitchville		<i>Media</i> RMIT University
Dale McKie , of Pirron Yallock		<i>Bachelor of Commerce/Economics</i> La Trobe University, Bundoora
Emma Rendell , of Yielima		<i>Bachelor of Psychology</i> La Trobe University, Bendigo

Gardiner Dairy Scholarships – TAFE - 2009		
Sharon Briggs , of Glenormiston		<i>Advanced Diploma of Rural Business Management</i> South West Institute of TAFE
Sheena Mason , of Lockington		<i>Advanced Diploma in Agriculture (Dairy)</i> National Centre for Dairy Education Australia (NCDEA)
Gary Robertson , of Kyabram		<i>Advanced Diploma of Screen</i> Footscray College
Benjamin Taylor , of Timboon		<i>Certificate III in Agriculture</i> South West Institute of TAFE

New Gardiner Foundation/FRRR Small Community Development Grants in 2009

In 2009 the Foundation continued to provide \$5,000 grants through the Foundation for Rural and Regional Development (FRRR) to strengthen small dairying communities. These projects leave small communities with the legacy of leaders who know how to mobilise a project team, win funding and manage the project to positively impact that community.

The Foundation has committed \$115k funding to new projects with a total value of \$317k including contributions from partner organisations.

Project Organisation)	Project Title
Alpine Valley Community Leadership Program Project Leader David Roff Julia Cocks	<i>Building capacity in dairy farming communities (Funding of one place in the Alpine Valley Community Leadership Program.)</i>
Boisdale Public Hall Project Leader James Allen	<i>Emergency Support (Purchase of a Chiayo PA system for the Public Hall to assist in briefing sessions in times of emergency.)</i>
Camperdown Community House Inc Project Leader Marilyn Rippon Mary Brown	<i>Health is everyone's responsibility (Purchase of kitchen equipment for a program to teach healthy cooking to disadvantaged youth.)</i>
Carlisle River Community Group Inc Project Leader Jeff Douma Lisa Stafford	<i>Carlisle River Hall – Upgrade of existing facilities (Gravel for carpark, noticeboard and outside seating – for use by community groups including Child Maternal Health and DPI.)</i>
Chetwynd Community Centre Inc Project Leader Sally Stevenson	<i>Replacing and painting three exterior doors of the Community Hall.</i>
Cobram District Children's Services Project Leader Nicole Hocking Tania Poole	<i>Look what we can grow! (Development of a fruit and vegetable garden and worm farm to educate children about gardening and promote healthy eating.)</i>
Cohuna Neighbourhood House (Kerang District Health) Project Leader Lorraine Learmonth	<i>Local community training program (Purchase of a computer and projector for better delivery of classes – programs include drought-related support, men's shed, community newsletter and 3Rs learning program.)</i>
Cohuna Progress Association Project Leader George Drummond	<i>Community portable stage (Building of a portable stage by the Men's Shed for "Music on the Murray" recitals and other activities of local primary and secondary schools.)</i>
Hamilton-Coleraine Rail Reserve Committee Inc Project Leader Alex Baulch Coralie Coulson	<i>Revegetation equipment (Tree planting and weeding equipment for revegetation and maintenance of a rail reserve walking track with participation in the project by Brownies and Guides.)</i>
Heyfield Community Resource Centre Inc Project Leader Judy Doolan	<i>Give it a go! (Expansion of the Heyfields Wetlands walking track by adding exercise stops. Construction by Community Shed volunteers and Fulham prisoners.)</i>

Kialla West Primary School		<i>Kids, Calves and Curriculum</i> (Establishment by the school and local dairy farmers of a calf raising facility at the school to involve the children in calf raising and build awareness of the dairy industry. The project will become self-funding and contribute to the School's finances in the future.)
Project Leader	Peter Lloyd Fiona O'Dwyer	
Kongwak Public Hall Inc		<i>Purchase of a dishwasher</i> (Kongwak Public Hall is well supported by the local dairying community through donation of calves to raise funds. The dishwasher is to enhance capability to cater for groups of up to 150 people for dinners and community functions.)
Project Leader	Betty Anderson	
Lindenow & District Preschool		<i>Playground upgrade</i> (Installation of softfall covering in the kindergarten playground to increase safety for small children.)
Project Leader	Liz McCallum Jody Herbert	
Lions Club of Forrest & District		<i>Enhancing the community service capabilities of Forrest & District Lions Club</i> (Update of computer equipment to run community activities and support the activities of other community groups, sporting clubs and local community halls.)
Project Leader	Allan Winter Delwyn Seebeck	
Maffra Area International Inc		<i>Mai Embracing the Future</i> (Funds to purchase a projector screen and computers to run monthly workshops for farmers and make the most of local food and produce, as well as promoting local career choices.)
Project Leader	Fairley Kermode Christine McIntosh	
Mirboo Recreation Reserve Committee of Management Inc		<i>Construction of a veranda on the Mirboo Recreation Reserve Hall</i> (To add usable outdoor space for a variety of community activities such as monthly bowls nights, community BBQs, trivia nights, carboot sales, CWA and Fire Brigade activities.)
Project Leader	Neil Andrews Rhonda Evans	
Orbost Regional Health		<i>Snowy River shared pathway – physical activity stations</i> (Building of five exercise stations by the local Men's Shed to further develop the shared pathway.)
Project Leader	Therese Tierney Peter Quin	
Port Fairy Men's Shed		<i>Permanent premises and new equipment for the Port Fairy Men's Shed</i> (The Men's Shed buildings benches for the Port Fairy folk festival and will run woodworking, cooking for two and mechanical repair classes. Currently 54 members.)
Project Leader	Don Stephens Harry Bracegirdle	
Serpentine Recreation Reserve Committee of Management Inc		<i>Serpentine Memorial Hall kitchen upgrade</i> (Upgrade of kitchen facilities to complete renovations already completed. The hall is used by community groups including playgroup, health service, Loddon Shire Council, Loddon Valley Stud Merinos and local sporting clubs.)
Project Leader	Robert Hooke Natalie Rose	
Shady Creek Hall Committee Inc		<i>Split system climate control</i> (Installation of an air conditioning system to replace an open fireplace, to complement other significant upgrades already undertaken.)
Project Leader	Kenneth Parker Heather Ferguson	
South Gippsland Bass Coast Local Learning & Employment Network		<i>Young people with a disability in transition</i> (Funding for two industry-based training courses for disabled youth. One course in dairying and one in a dairy-related industry.)
Project Leader	Karena Kerr	
St Andrews Anglican Church, Kyabram		<i>Community meal program – re-establishment of children's playground</i> (The Church provides a free public community meal to approx 50-70 people per week including 20+ children, who are non-Church members. The project is to re-establish a children's playground to enhance the enjoyment of children.)
Project Leader	Gavin Lloyd	

Saint Vincent de Paul Society Inc., Numurkah

Project Leader Mary Anne Thorne
Brian Morrison

*Provision of trailer and shed
(Purchase of a trailer and shed for the collection and storage of
donated furniture destined for those in need in the community.)*

Tatura Community House Inc

Project Leader Sue Bell
Patricia Niglia

*Internet updating and a focus on health
(Upgrade of internet facility to run an additional course, and
improve the service for public use by community members. Also
purchase of a dishwasher for the web cafe and running of a
healthy lifestyle program.)*

Tongala Community Centre Inc

Project Leader Narelle Thomson
Danielle Florence

*Dive for our pool!
(Install new diving board to increase attendance numbers and
provide a safe and supervised location for youth to swim and
exercise.)*

Women's Centre Albury-Wodonga

Project Leader Cheryl Lundin
Karen Lafferty

*Corryong/Kergunyah - Money-minded!
(Funding to teach finance and budgeting to women – classes to be
offered in Corryong and Kergunyah.)*

Contact Us

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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