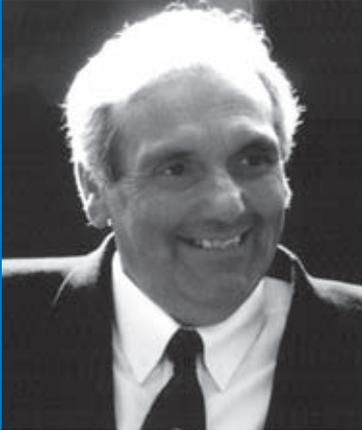




GARDINER FOUNDATION  
ANNUAL REPORT 2010



## GEOFFREY GARDINER

(1950–1999)

-INSPIRATIONAL LEADERSHIP TO  
THE VICTORIAN DAIRY INDUSTRY.

“GEOFFREY GARDINER WAS A MAN WHO STARTED OUT LIVING AN ORDINARY LIFE BUT THEN MADE AN EXTRAORDINARY CONTRIBUTION TO THE DAIRY INDUSTRY AND WIDER COMMUNITY”.

MAX FEHRING  
PAST PRESIDENT OF THE UNITED  
DAIRYFARMERS OF VICTORIA (UDV)  
AND DAIRY FARMER

The late Geoffrey Gardiner saw life beyond the farm gate offer so much more than milking cows and vat temperatures.

Enticed from the mechanics of the family farm in South Gippsland in the early 1980's by the rapidly declining milk prices, the lessening voice of dairy farmers and the desire to “make things right”, Geoffrey entered Victorian dairy politics from the front stage.

Not perturbed or bound by process or political wariness, Geoffrey found himself very quickly setting up blockades in response to low liquid milk prices. As Stacey Gardiner (Geoffrey's eldest daughter) recalls, “one of my early memories of Dad's involvement in the dairy industry was seeing him on the national news standing in front of a milk tanker, blocking the way”.

This ability to act determinedly for the rights of dairy farmers, and to provide national intellectual debate led Geoffrey into interstate political discussions, particularly with NSW.

A big vision thinker, Geoffrey found respect in those who were prepared to make a stand. He visualised a greater proportion of liquid milk and the collaboration of the dairy cooperatives in Research & Development, and Marketing. Possibly a trade unionist at heart, the “all in together” approach is what Geoffrey saw as the future for dairy farmers in Australia.

A prime mover in the deregulation of the Victorian dairy industry, Geoffrey challenged the norm, intellectualised the numbers and stuck to agreed upon decisions.

The Gardiner Foundation strives to live by this enthusiasm and determination to achieve the potential of innovation, and live up to the legacy of funding real projects which impact the people, the farms and the communities in which the Victorian dairy industry resides.

The Foundation was established in 2000 as an innovative, responsive source of funds for industry, community and people-focused projects and was named to honour the memory of Geoffrey Gardiner.



# CONTENTS

Geoffrey Gardiner – An inspiring Leader .....	<b>Inside Cover</b>
At a Glance – The Gardiner Foundation.....	<b>2</b>
Ten Years of Major Achievements .....	<b>3</b>
A Message from our Patron.....	<b>5</b>
The Chairman's Report .....	<b>6</b>
The Chief Executive's Report.....	<b>8</b>
The Board .....	<b>9</b>
Our Team .....	<b>10</b>
Investment Making an Impact .....	<b>12</b>
New Projects 2010 .....	<b>19</b>
Contact Us .....	<b>Back Cover</b>

# THE GARDINER FOUNDATION AT A GLANCE

## THE GARDINER FOUNDATION IS A PROACTIVE INVESTOR IN PROJECTS THAT HAVE SIGNIFICANT IMPACT FOR THE VICTORIAN DAIRY INDUSTRY AND THE WIDER COMMUNITY.

The Victorian Dairy Act 2000 created the Foundation with \$64 million in seed funding from the sale of industry owned milk brands as part of deregulation of the industry.

The investment portfolio is managed by ANZ Trustees, and it is the policy of the Foundation to maintain the reserves at the current value of the original legacy in 2000. The income derived from the invested seed funding is used to support three core areas for investment; building science capability, innovation, and community and people development.

Named in honour of the late Geoffrey Gardiner – an inspirational dairy leader of the 1980's and 1990's – the Foundation is headquartered in the Melbourne CBD under a company structure limited by guarantee and led by a well-networked, multi-skilled Board of six industry leaders.

The Foundation employs a small team of people who are deeply embedded in boards and committees that identify priority issues and respond with investment in innovation across the dairy value chain. Professor David de Kretser AC, Governor of Victoria is patron of the Foundation.

Since 2000 the Foundation has invested in excess of \$33 million in cash contributions to over 440 projects. With partner co-funding this represents \$141 million in new investment across the dairy value chain. At any one time the Foundation typically has a portfolio of 90 active projects, which with partner investments, represents around \$25 million worth of ongoing investment in innovation.

The Foundation considers innovation to mean a two staged process, the “research and development” needed to create new science, technology, processes or services AND “commercialisation” whereby that new science, technology, process or service delivers impact at farm, factory, consumer or community level. Any submission for funding from the Foundation must build a business case that includes both of these key elements.

The Foundation contributes to the Victorian dairy industry in a unique way because its independent structure means it can respond quickly to emerging issues like drought and it invests across the dairy value chain in areas where other major funding bodies may be limited by their mandate or funding guidelines.

# TEN YEARS OF MAJOR ACHIEVEMENTS

**IN 2010 THE GARDINER FOUNDATION CELEBRATES 10 YEARS OF INVESTMENT IN THE VICTORIAN DAIRY INDUSTRY. IN CONJUNCTION WITH OTHER FUNDING PARTNERS THE FOUNDATION HAS TO DATE INVESTED \$141 MILLION IN PROJECTS THAT DIRECTLY IMPACT THE FARMS, THE FACTORIES AND THE COMMUNITIES THAT SUPPORT THE VICTORIAN DAIRY INDUSTRY.**

Building science capability is a core focus of investment for the Foundation which identifies capability building as the power to achieve desired outcomes and having the capacity to do so. The Foundation invests in capabilities that underpin science, technology and services to create highly agile and responsive infrastructure providing relevant and timely support to the Victorian dairy industry.

Since 2000, the Foundation has invested in individual capability building projects aligned with the dairy industry Cooperative Research Centre, co-funded pasture development projects at the Molecular Plant Breeding CRC, was an inaugural member of Dairy Innovation Australia Limited and created the \$12.5 million Dairy Health and Nutrition Consortium.

The Foundation actively encourages projects that demonstrate best practice innovative processes. 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.

Innovative projects funded in conjunction with other industry organisations have resulted in the extended lactation of dairy cows, improved potable water utilisation, reduced effluent in dairy processing, and the use of ultrasonics and pulsed field electrical treatment as novel processing techniques.

Demographic data shows the Australian workforce is shrinking for the first time in 60 years. An imperative for the dairy category 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 5000 people.

# TEN YEARS OF MAJOR ACHIEVEMENTS CONT.

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

- Cows Create Careers project that 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 1000 members.
- Building the Sustainable Dairy Farming Families initiative which now operates as the National Centre for Farmer Health funded by the Victorian Government.
- Developing a 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 developed to help the next generation of dairy leaders.

All of these investments, whether targeted to deliver impact across the industry, on the farm, attracting, retaining and developing dairy people or strengthening small dairy communities, are driven by end user steering committees and are aligned with agreed industry priorities.

Most importantly however, the core program areas are agile and responsive to changing industry needs and have the ability to fund both large cross-sector, multi-player projects as well as equally important small community grants which form the backbone of ongoing community development.

Many of the projects – after initial seed funding from the Foundation – have evolved across the Australian dairy sector, providing an ever-increasing return on investment.



# A MESSAGE FROM OUR PATRON



PROFESSOR DAVID DE KRETSER  
AC, GOVERNOR OF VICTORIA  
AND MRS JAN DE KRETSER

Jan and I are proudly associated with the Geoffrey Gardiner Dairy Foundation.

The Gardiner Foundation supports a number of programs across three focal areas; capability building, innovation, and community and people development. All three areas have become significant drivers of dairy investment in Victoria, enriching our land, our animals and our people.

It is important to recognise how the changing climate affects our health and wellbeing. The investment in projects and collaboration with other entities that address these domains – molecular genetic technologies into plant breeding, predictive decision support tools, and the Men's Shed initiative, to highlight just a few – pave the pathway for whole-of-community insight into making changes at ground level.

Having worked for so long with men and their health, it is wonderful now to be part of the groundswell of Men's Sheds spreading across Australia. The Foundation is a keen sponsor of this

group, which aims to engage men in sharing, skilful and practical environments to support and enhance the physical and mental wellbeing of men in our communities.

Victorian dairy producers and the associated manufacturing sector continue to rise to the challenges in a global market. With the Victorian industry contributing to around 65% of Australian production, and nearly 85% of Australian dairy exports, it is a significant facilitator of employment, wealth and lifestyle in Australia. And, with this title comes the social responsibility of using our resources with respect and the willingness to respond to the needs of a changing global community.

I commend the Geoffrey Gardiner Dairy Foundation for its role in investing wisely and with due consideration into areas which impact positively on the dairy sector and surrounding communities.

Professor David de Kretser AC  
Governor of Victoria  
Patron of the Geoffrey Gardiner Dairy Foundation

STACEY GARDINER – DAUGHTER OF  
GEOFFREY AND KERRY GARDINER –  
SPEAKING AT THE GARDINER FOUNDATION  
FUNCTION AT GOVERNMENT HOUSE IN 2009  
WITH PROFESSOR DAVID DE KRETSER, AC,  
GOVERNOR OF VICTORIA AND PATRON OF  
THE GARDINER FOUNDATION.



# THE CHAIRMAN'S REPORT



WITH THE GARDINER FOUNDATION HAVING COMPLETED ITS **FIRST 10 YEARS OF OPERATIONS**, IT IS APPROPRIATE TO REVIEW ACHIEVEMENTS IN THE PERIOD AND ALSO LOOK AT LIKELY FUTURE DIRECTIONS. HENCE MY FINAL REPORT WILL BE SOMEWHAT REFLECTIVE WHILST AT THE SAME TIME FORECASTING LIKELY FUTURE DIRECTIONS.

## THE FIRST 10 YEARS

Features and achievements in the period include:

> **Establishment of the Foundation as an integral part of the industry**

Characteristics of the Foundation that are central to this are:

- being quick, responsive and accessible
- having minimal bureaucracy
- being strategic in approach
- having strong relationships with all sectors of the industry
- being outcome focused

> **Clearly defined funding streams**

Funding has been channelled through three broad categories:

- Capability Building
- Innovation
- Community and People Development

Clear application procedures, including dialogue between applicants and the Foundation, have ensured projects are tailored to best benefit the industry. Independent assessors and routine reviews of funded projects have ensured funds have been directed towards best possible outcomes.

Additionally the Foundation has deliberately acted as a catalyst initiating a number of projects that have become established activities in the industry.

> **Routine audits and self-analysis**

Internal and external audits seeking feedback from stakeholders have ensured a process of continual improvement, thus ensuring the Foundation has responded to changing requirements within the industry. The most recent data suggests its stakeholders hold the Foundation in high regard.

> **Maintenance of the real value of the initial capital base**

During the period, a total of 440 large and small projects have been funded to an overall value, including contributions from related parties, of \$141 million. This has been achieved whilst retaining the real value of the initial seed funds.

> **Stable management and Board structure**

Routine reviews of the industry needs have ensured regular updating of Staff and Board members, thus ensuring the Foundation has the necessary skills to complete its tasks.

Recent and forthcoming Board changes will ensure the Foundation continues to be well positioned and connected with the associated influx of new ideas and enthusiasm.

All of this reflects very favourably on the founders of the Foundation, who through their foresight and efforts have provided the industry with another vehicle for its advancement.

## THE FUTURE YEARS

With the external environment constantly changing, predictions about the future role and activities of the Foundation are fraught with danger. Nevertheless some directions are clear and include:

### > **Size of the Foundation**

Strategies have been developed which are currently being pursued which will result in the doubling of the level of funding in real terms by the Foundation during the next stage of its development.

This is particularly important to the industry as a whole, given the current financial pressures across all sectors.

### > **Role of the Foundation**

Active measures are under way, in conjunction with Dairy Australia, Australian Dairy Farmers and the Department of Primary Industries Victoria to establish a closer and fully aligned working relationship between key bodies associated with the industry. This is critical in the light of the increasing size of the Foundation and also to ensure funding is aligned with the industry strategies and priorities.

### > **Areas of funding**

Whilst the level of overall funding will increase, particular emphasis will be appropriate in the area of community. Also the unique structure of the Foundation enables it to contribute in areas where other industry groups may be constrained. This already proven approach has exciting possibilities.

**FINALLY I WOULD LIKE TO  
THANK THE MANY PEOPLE WHO  
HAVE GUIDED, ASSISTED AND  
SUPPORTED ME IN THIS ROLE,  
WITH PARTICULAR THANKS  
TO THE STAFF AND BOARD  
MEMBERS OF THE FOUNDATION.  
IT HAS BEEN A PRIVILEGE AND  
PLEASURE TO BE INVOLVED AND  
I WOULD LIKE TO WISH THIS GREAT  
INDUSTRY EVERY SUCCESS IN  
THE FUTURE.**



Chris Nixon  
Chairman

# THE CHIEF EXECUTIVE'S REPORT



**IN A FINANCIAL YEAR OF UNPRECEDENTED COMPLEXITY AND VOLATILITY THE GARDINER FOUNDATION HAS INCREASED THE VALUE OF IT'S RESERVES BY \$6 MILLION, HANDLED A RECORD NUMBER OF FUNDING APPLICATIONS, MAINTAINED EXPENDITURE IN ONGOING PROJECTS AT \$5 MILLION, AND COMMITTED \$3.6 MILLION TO 47 NEW PROJECTS.**

Members of our team continue to be deeply embedded in the boards and committees that develop priority issues and mobilise investment to respond to those issues. Over the past year we have enhanced the working relationship with Dairy Australia so there is greater alignment of the total industry's resources.

The Foundation has emerged as a leader in development of smarter innovation processes for the dairy industry. No Government or dairy company has sufficient funds for innovation and must focus limited resources on projects that maximise impact at farm, factory or consumer level. We achieve this by partnering with applicants to build the business case for funding around both R&D and commercialisation elements in the one seamless project plan.

To ensure that only the very best projects are funded, the Foundation has developed a competitive merit based selection process. We do not pick winners. Rather, applications for funding are assessed by multi skilled teams of industry leaders. To help make sure project outcomes are relevant in the real world, farmers, factory managers and community leaders chair our project steering committees and have the authority to vary milestones, or in rare cases, recommend termination of non performing projects.

During the year, we engaged communication specialists, Sefton & Associates to conduct an independent audit of key dairy industry stakeholder perceptions of the Foundation. These key stakeholders rated our performance highly in being strategic, building capability, supporting innovation, responding quickly and leveraging funds of other organisations. Stakeholders also told us they would like to know more about the broad spread of the Foundation's investments.

In our next year of operation the Foundation will recruit two new team members as Program Managers for the Flexible Dairy Business Program and the Community, People and Donor Relations Programs. We will pilot a "strengthening small dairy communities" program and further enhance the stakeholder engagement activities.

I thank the directors for their ongoing support and counsel. I pay tribute to the contribution the small and specialist team have made to support the Victorian dairy industry and the wider community.

A handwritten signature in black ink that reads "Paul Ford". The signature is written in a cursive, slightly slanted style.

Paul Ford  
Chief Executive

# INTRODUCING THE BOARD



GARDINER FOUNDATION BOARD (L. TO R.): IAN MACAULAY, PROFESSOR PAUL MOUGHAN, PROFESSOR ROBERT CLARK AO, DOUG CHANT, MIKE TAYLOR AO, CHAIRMAN DESIGNATE AND CHRIS NIXON, CHAIRMAN.

## CHAIRMAN

**Chris Nixon**  
B.Eng (Mech.), B.Ec

Completing 10 years as Chairman of the Gardiner Foundation in November 2010, Chris has been an independent non-executive director since 2000. Chris draws on his 35-year career of global appointments in general management and managing director roles to provide strategic leadership for the Gardiner Foundation and stewardship of the Foundation's financial reserves.

## DIRECTORS

**Doug Chant**

Doug has been a director since 2008 with experience in Victorian dairy farming. He is a fourth generation dairy farmer at Warrion north of Colac, and as immediate past President of United Dairyfarmers Victoria, Doug is respected for his proactive representation of dairy farmers on priority issues like water, strengthening small dairy communities and development of young dairy people.

**Professor Robert Clark AO**  
B.Agr.Sci (Hons), PhD,  
FAIST

An independent director since November 2009, Rob is recognised for his leadership in establishing the Tasmanian Institute of Agricultural Research, his director roles in Rural Research Corporations and the Federal Minister for Agriculture's National R&D Council. Rob brings to the Gardiner Foundation Board insight into the transfer of science and technology to real outcomes at farm, factory, consumer and community level.

**Ian MacAulay**  
B.Ag Sc, Fellow AICD

Ian has been a director with experience in the Victorian dairy manufacture and processing since 2000. Ian and his family operate three dairy farms in the Yarram area and he was elected to the Board of Murray Goulburn in 1991 and Chairman for eleven years to 2010. Ian brings to the Gardiner Foundation board a deep first hand vision on priority issues across the \$12.5b Australian dairy value chain.

**Professor Paul Moughan**  
B.Agr Sc(Hons)  
PhD D.Sc FRSNZ

An independent director since 2000, Paul is also a director of the Riddet Institute at Massey University in New Zealand. He is valued globally as a pre-eminent dairy scientist in nutritional and health promoting properties of milk components and milk products. Paul's contributions to board deliberations ensure scientific excellence in projects funded by the Gardiner Foundation.

## INCOMING CHAIR

**Mike Taylor AO**  
B.Ag Sc, Dip Ag Eco

Mike will become the independent non-executive Chairman from November 2010. He is widely respected for his leadership of the Australian Dairy Industry Council and former roles as Secretary of the Victorian State and later Federal Departments of Agriculture. Mike brings to the Gardiner Foundation input from a broad and diverse network of stakeholders across the Australian agri-food sector.

# INTRODUCING OUR TEAM



**GARDINER FOUNDATION TEAM (L. TO R.): PAUL FORD, MICHAEL TIPPETT, JENNY WALSH, JOCK MACMILLAN, CYNTHIA MRIGATE, CRAIG MILLER, AND KARENSA DELANY**

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## **Paul Ford**

HDDT, Fellow ARLF,  
DIAA John Bryant Gold  
Medal

### **Chief Executive**

Paul was appointed Chief Executive in 2006, and is respected for his leadership in the Australian dairy industry. He has led significant change in food safety, quality management, novel innovation processes and project funding. Paul draws on these to set the strategic direction for the Gardiner Foundation.

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## **Jenny Walsh**

### **Office Manager**

Having an extensive background in the dairy industry, Jenny joined the Gardiner Foundation in June 2007 and is responsible for the office management, administrative, financial and team support functions.

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## **Michael Tippett LL.B**

### **Company Secretary & Corporate Lawyer** **Program Manager, Community and People Development**

Appointed as Company Secretary and Corporate Lawyer in 2007, Michael has managed the Community and People Development since January 2009. Prior to his appointment at the Gardiner Foundation, Michael was a practising lawyer and Executive Director of Barristers' Clerking Service Pty Ltd. Michael provides secretarial support to the board, advises on corporate governance and risk, and negotiates project funding agreements.

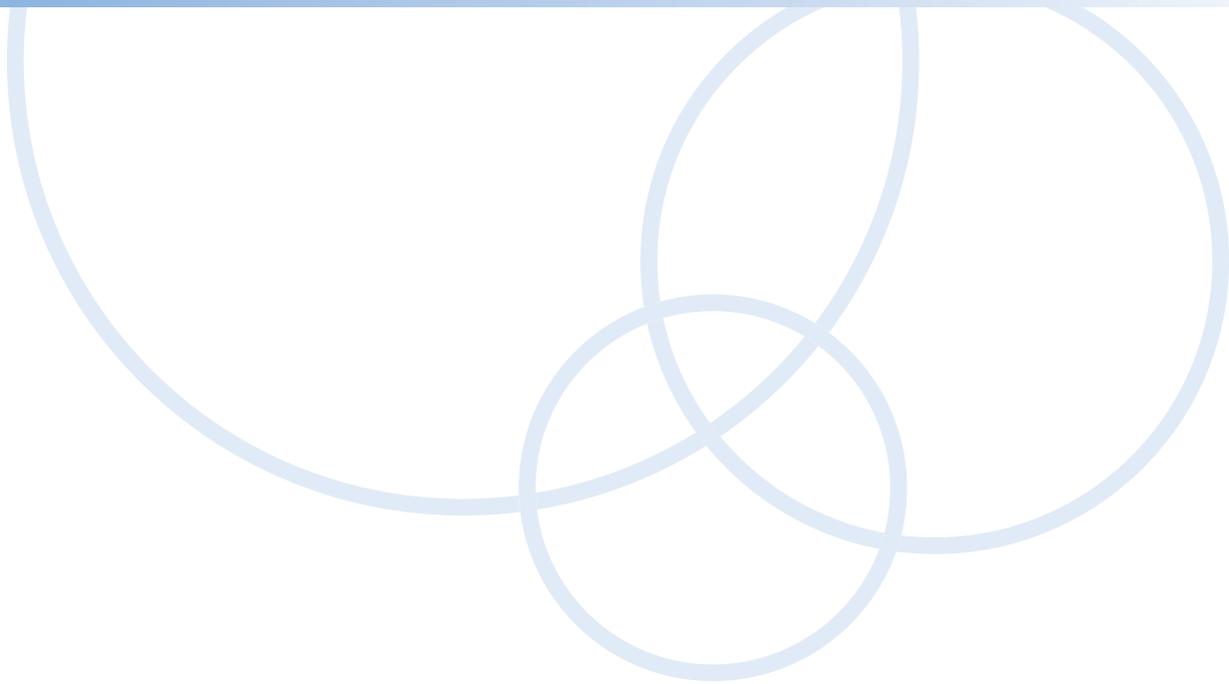
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## **Cynthia Mrigate**

### **Program Manager, Administration & Communications**

Cynthia was appointed Program Administration Manager at the inauguration of the Gardiner Foundation in 2000, and more recently she has driven the Foundation's program of engagement with the industry's top 100 stakeholders. To undertake these roles Cynthia draws on her experience working in program administration for the Parliament of Victoria, the Victorian State Government and United Nations specialised agencies.

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**Dr Craig Miller**  
PhD MBA MAIFST

**Program Manager  
Capability Building**

Appointed to the position of Program Manager Capability Building in December 2006, Craig draws on commercial experience in food research and innovation to drive the Gardiner Foundations investments at the Dairy Futures CRC, Dairy Innovation Australia and development of the \$12.5m Dairy Health & Nutrition Consortium.

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**Dr Karensa Delany**  
B. Sci (Hons) PhD

**Program Manager  
Innovation**

Karensa was appointed Program Manager Innovation in April 2010. She is a multiple award winner for work in scientific research in the field of lactation biology at both the molecular and whole animal (cow) level. Karensa's rural background and communication skills help her focus projects on impact at farm, factory and consumer level.

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**Megan Dyer**  
B.Sc Agriculture

**Program Manager  
Innovation**

Appointed as Program Manager Innovation in July 2007, Megan is currently on 12 months leave of absence until April 2011. Megan has sound experience in project management and dairy extension through roles with DPI Victoria and has created a portfolio of 20 innovation projects worth \$17m.

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**Professor  
K L (Jock)  
Macmillan**  
MAgrSc (Hons.); PhD;  
DSc; FRSNZ

**Program Manager  
Flexible Dairy  
Business Program**

In 2008 Professor Macmillan was appointed as Project Manager to lead the development work – in collaboration with Dairy Australia and DPI Victoria – which has led to the introduction of the Flexible Dairy Businesses Program early in 2010.

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# INVESTMENT MAKING AN IMPACT

**DELIVERING ADOPTABLE OUTCOMES** FROM THE PROJECTS AND ENSURING THE GARDINER FOUNDATION INVESTMENT HAS IMPACT ON THE FARM, AT THE FACTORY OR WITHIN THE COMMUNITY IS CENTRAL TO THE THREE CORE PROGRAM AREAS.

MANY OF THE EARLY PROJECTS HAVE SEEN WIDESPREAD INDUSTRY ADOPTION AND FORM THE BASIS OF ONGOING INTERNATIONAL RESEARCH IN DAIRY IMPROVEMENTS. A SELECTION OF INSPIRING PROJECTS – SHOWCASING THE DEPTH OF FUNDING OPPORTUNITIES – HAS BEEN HIGHLIGHTED.

## DELIVERING OUTCOMES ON THE FARM

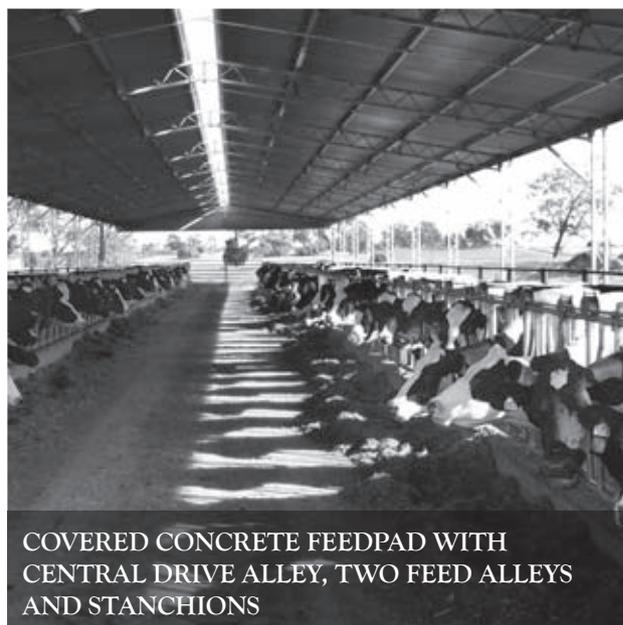
Industry Guidelines for  
Dairy Cattle Feedpads & Freestall Barns

Department of Primary Industries.

Project Leader: **Scott McDonald**

Water availability and a subsequent rise in supplementary feed and fertiliser costs has challenged the pasture based dairy sector in Victoria to examine viable shifts in farming systems. These systems need to maintain production levels whilst upholding core consideration of animal health and Australia's extensive/free range livestock ethos.

DPI Victoria in collaboration with EPA Victoria and Australian Dairy Farmers Limited developed planning and technical guidelines for permanent feed structures with seed funding from the Gardiner Foundation.



COVERED CONCRETE FEEDPAD WITH  
CENTRAL DRIVE ALLEY, TWO FEED ALLEYS  
AND STANCHIONS

“The guidelines will help to provide a concise and consistent set of standards for permanent feed structures in the dairy industry – this will assist producers and designers in developing feedpads and freestalls to meet recommended industry practice.”

Scott Birchall, Technical Reviewer of Guidelines,  
AgSystems Design

## Feed Conversion Efficiency and Reducing Greenhouse Gases

**Department of Primary Industries.**

**Project Leader: Dr Ben Hayes**

Using DNA markers and biomarkers to select bulls and cows for higher feed conversion efficiencies, fertility and performance in extended lactations is central to improving milk profitability across the herd.

DPI Victoria in partnership with Murray Goulburn Cooperative and Genetics Australia received funding from the Gardiner Foundation to begin research into the area of genomics – an area acknowledged for delivering greater genetic gain for the Australian dairy herd. This project is expected to generate a farm gain of \$10 000 per year with a herd size of 250 cows through feed savings and enhanced profitability.

In addition, more efficient cows will benefit the environment through less feed consumption per litre of milk and significantly reduced methane emissions.



DR BILL WALES AND TAFFY PHILLIPS, DPI, UPDATING FARMERS ON THE PROGRESS OF THEIR CALVES IN THE FEED CONVERSION EFFICIENCY PROJECT

“The Feed Conversion Efficiency program has been of great benefit to the dairy farmers that have supplied their calves. Those from the first stage that came back to the farm are easily picked out – they have continued to be bigger and better conditioned. The information we were provided with on their performance and feeding has been useful in decision making already. I think it is important that we support initiatives like this and I am looking forward to using the outcomes of the project in my breeding program.”

Gary Verhey, dairy farmer and farm manager,  
Northern Victoria

# INVESTMENT

## MAKING AN IMPACT CONT.

### DRIVING INNOVATION IN DAIRY PROCESSING

#### Novel Dairy Processing

CSIRO Division of Food & Nutritional Sciences.

**Project Leaders: Dr Roderick Williams, Dr Heather Craven and Dr Tanoj Singh**

During the year CSIRO scientists completed three research projects – which received funding from the Gardiner Foundation – that collectively promise healthier milk products with the potential to open new export markets, safer milk production and legitimate origin labelling of milk products.

One CSIRO team has been examining the potential use of Pulsed Electric Field (PEF) to pasteurise milk without destroying valuable proteins and vitamins. PEF sends electric pulses, up to thousands of volts, through the liquid for just a few thousandths of a second. The team has been able to double the shelf life of drinking milk to six weeks, potentially opening new markets to Australian milk.

Another CSIRO team developed strategies to reduce the prevalence and growth of *Listeria* on different surfaces in dairy processing. Thermophile

bacteria grow at higher temperatures associated with dairy processing. The CSIRO team developed new tests to identify what parts of the plant would most likely lead to problem levels of thermophiles. The reduction of thermophile contamination will increase efficiencies in dairy product manufacture, particularly for milk powders.

A third team at CSIRO has developed a method for milk powder traceback. This project could help prevent false claims about the origin of milk powders in export markets.

The test, conducted on Victorian milk powders, is similar to that used by archaeologists and geologists to determine the age of artefacts and rocks. However, instead of working out the age, the researchers use it as a fingerprint to indicate the origin of the milk. Researchers have established 98% accuracy on whether the cows lived in eastern, western or northern Victoria.



CSIRO RESEARCH FACILITIES AT WERRIBEE

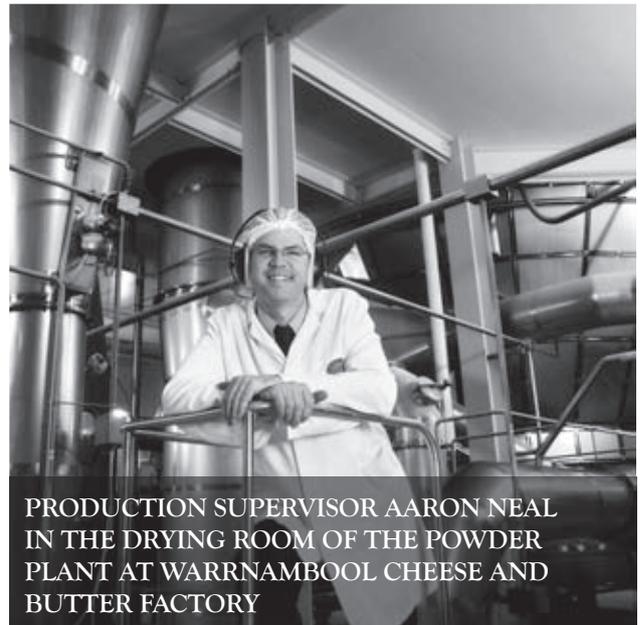
“Tatura Milk encourages feedback from our international customers on performance of our dairy ingredients. In a market with numerous suppliers, the first step in any issue of milk powder quality is to identify the source of the powder. This Gardiner Foundation project provides the technology to identify milk powders from our factory and to respond quickly and accurately to customer concerns.”

Tony Kilmartin, General Manager Sales & Marketing,  
Tatura Milk Industries

## Milk Plus Project

**Warrnambool Cheese & Butter Factory.  
Project Leader: Dr Adriana Robaina**

The Gardiner Foundation investment of \$450 000 into the WCBF Milk Plus extension project over the last three years has provided producers and advisers with the practical tools, knowledge and confidence to prioritise the issues affecting milk protein content on an individual farm basis. This has seen a decrease in the seasonal protein content variation that occurs on many farms and an increase in milk protein content.



PRODUCTION SUPERVISOR AARON NEAL  
IN THE DRYING ROOM OF THE POWDER  
PLANT AT WARRNAMBOOL CHEESE AND  
BUTTER FACTORY

“The average increase of 0.04% in milk protein over the last three years not only represents significant financial benefit to our farmer suppliers, but also gains for our manufacturing sector through reduced cartage cost and improved skim milk powder and cheese yields – these farmer and manufacturer benefits total approximately \$2.5 million annually.”

Richard Wallace  
General Manager Operations, WCBF

# INVESTMENT MAKING AN IMPACT CONT.

## ATTRACTING, RETAINING & DEVELOPING TALENTED DAIRY PEOPLE

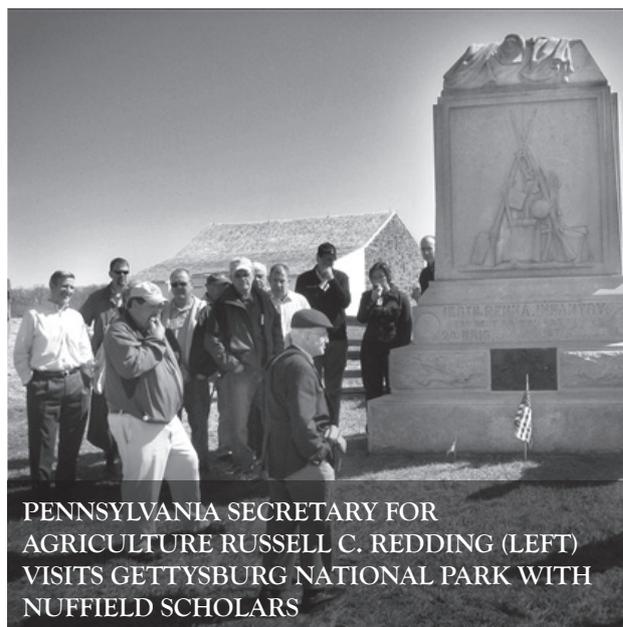
### Nuffield Australia Farming Scholarships

#### Project Leader: Jim Geltch

The Foundation funds dairy leadership programs that develop industry leaders at regional, state and national levels. The Nuffield Program provides emerging agri-business leaders with a global group study tour as well as allowing scholars to study a project of their own choosing. In 2010 the Foundation used its US agricultural leadership networks to assist Nuffield develop a Global Study Tour in Washington DC and Pennsylvania.

“Nuffield Australia values the Geoffrey Gardiner Dairy Foundation investment in our Scholarship Program. It is a special relationship that goes beyond the passive and hands off type engagement. This has been amply demonstrated over the last 12 months by:

- Direct assistance in the identification and nurturing of potential dairy farmer applicants to the Scholarship Program.
- Partnering with our panels in the selection of Scholars.
- Continuing support of the Scholar and their families during their Scholarship. This aspect has been highlighted in our debriefing sessions for Scholars and their partners, who value Gardiner’s personal contact and support while overseas.



PENNSYLVANIA SECRETARY FOR AGRICULTURE RUSSELL C. REDDING (LEFT) VISITS GETTYSBURG NATIONAL PARK WITH NUFFIELD SCHOLARS

- Gardiner was instrumental in providing the networks which were critical to Nuffield developing a Global Scholars Program in the USA.
- Gardiner actively participated in that program by facilitating the final communiqué.
- The active support of International Nuffield Scholars who are visiting Australia by their introduction to the Gardiner network and passing on information relating to the Australian dairy industry.
- Nuffield Australia wishes Gardiner Foundation the best for the next 12 months and trusts we can continue to enhance this unique and very special relationship by continuing to deliver impact at farm, people and community level.

Jim Geltch – CEO Nuffield Australia

## DairySage Mentoring Program

**WestVic Dairy Inc.**

**Project Leader: Mike Weise**

The DairySage Mentoring Program allows people in the dairy industry to communicate with more experienced and positive people in the same field, providing opportunities to develop new skills, learn from experience and gain valuable insight from those with valued experience.

DairySage also encourages people within the dairy sector to share their experience, and impart vital knowledge to the next generation of dairy producers.



JOHN VERSTEDEN, MENTOR AND WENDY WHELAN, MENTEE, IN THE DAIRYSAGE MENTORING PROGRAM

“I have worked my way through the ranks to be a dairy farm owner and it is good to be able to pass on my experiences and talk about my mistakes too.”

Mentor John Versteden  
Dairy farmer and Director of GippsDairy Board Inc

“The mentoring program made me really think about my goals. It helped me to define them and start some action plans so that I could see how to achieve what I wanted to do.”

Mentee Wendy Whelan  
Assistant Farm Manager

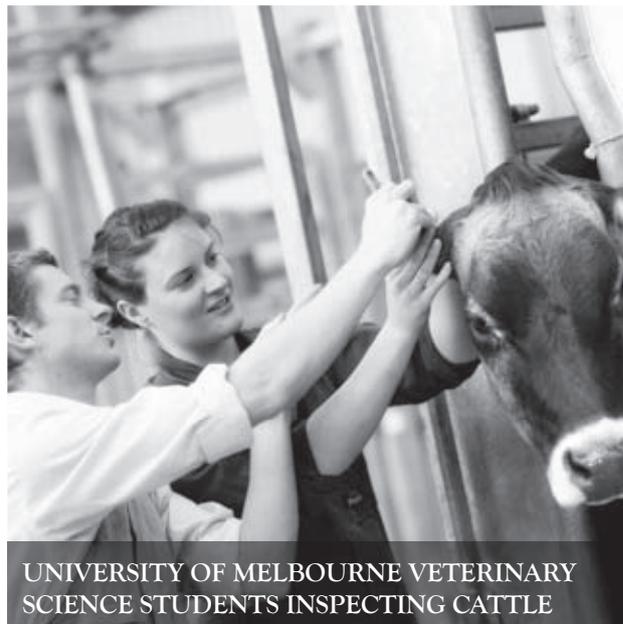
# INVESTMENT MAKING AN IMPACT CONT.

## Building the Number and Skills of Dairy Veterinarians

**A partnership between the Gardiner Foundation, the Faculty of Veterinary Science at Melbourne University, Dairy Australia and veterinary practices at Maffra, Warrnambool and Timboon. Project Leader: Professor Ken Hinchcliff**

Building the number and skills of dairy veterinarians has been identified as one of the dairy industry's top five priority issues. The Gardiner Foundation partnered with the Faculty of Veterinary Science, Dairy Australia and veterinary practices at Maffra, Warrnambool and Timboon to address this issue.

The Foundation is funding placement of veterinarians at these rural practices, The University of Melbourne is funding the training modules and Dairy Australia is funding the research projects which the undergraduate veterinarians will undertake. The three veterinary practices provide the vital in-kind skills to bring the project together.



UNIVERSITY OF MELBOURNE VETERINARY  
SCIENCE STUDENTS INSPECTING CATTLE

“The veterinary rural training scheme will benefit the Victorian dairy industry by providing an increased capacity to undertake field research relevant to the dairy industry. It provides the opportunity for veterinarians to improve their knowledge and skills in the area of cattle medicine and production and will expose undergraduates to high quality veterinary practices. We anticipate it will motivate an increased number of these young veterinarians to consider a career in rural dairy practices on graduation.”

Jakob Malmo  
Maffra Veterinary Practice

## STRENGTHENING SMALL DAIRY COMMUNITIES

### Men's Sheds

#### Port Fairy Men's Shed.

#### Project Leader: Harry Bracegirdle

Men's Sheds are places within communities across Australia which provide a shed environment for men – from all walks of life – to gather, to create, to talk, to learn and most importantly to be part of a group who cares. The creation of a Men's Shed comes from within the community who require, in many cases, additional funding to help with start-up costs.

The Port Fairy Men's Shed received vital funding from the Gardiner Foundation at an early stage of the project that encouraged others to contribute to the whole program.



MRS JAN DE KRETZER, ACCOMPANIED BY "ASTRO" (AMBASSADOR TO THE GUIDE DOG ASSOCIATION), CHATS INFORMALLY WITH SHED MEMBERS

*"It is fair to say that without the support from the Gardiner Foundation, I doubt whether we would have raised the full amount needed for such a large project."*

Harry Bracegirdle  
Secretary/Treasurer, Port Fairy Men's Shed

# NEW PROJECTS

## 2010

IN 2010 THE GARDINER FOUNDATION HAS COMMITTED **\$3.6 MILLION FUNDING TO NEW PROJECTS** WITHIN THE THREE PRIORITY PROGRAM AREAS – CAPABILITY BUILDING, INNOVATION AND COMMUNITY & PEOPLE DEVELOPMENT INCLUDING THE GARDINER FOUNDATION SMALL COMMUNITY GRANTS PROGRAM, ADMINISTERED BY THE FOUNDATION FOR RURAL AND REGIONAL RENEWAL (FRRR).

THE FOUNDATION IS GENERALLY NOT A SOLE FUNDER OF PROJECTS AND NEW PROJECTS APPROVED IN 2010 HAVE A TOTAL INVESTMENT VALUE, INCLUDING PARTNER CO-FUNDING AND IN-KIND CONTRIBUTIONS, OF \$11.2 MILLION.

### CAPABILITY BUILDING PROGRAM

This program area creates a highly capable, agile and responsive science infrastructure that provides relevant and timely support to Victorian dairy companies on priority issues.

PROJECT AND PARTNER ORGANISATION	PROJECT LEADER	PROJECT TITLE
<b>Dairy Futures CRC</b> > Department of Primary Industries	<b>Dr Ben Hayes</b>	Improving feed conversion efficiency and lifetime profitability of the Australian dairy herd through genetic markers and biomarkers – validation and implementation
<b>Dairy Futures CRC</b> > Department of Primary Industries > Royal Barenbrug > NZ Agriseeds > MLA Donor Company	<b>Prof John Forster</b>	Pre-competitive facilitated adoption of molecular genetic technologies by pasture plant breeding companies

## INNOVATION PROGRAM

Creating innovative projects which link science to a commercial outcome, demonstrate clear benefits of partnerships between science and industry and have achievable and demonstrable outcomes within specific timelines.

PROJECT AND PARTNER ORGANISATION	PROJECT LEADER	PROJECT TITLE
<b>CSIRO Food and Nutritional Sciences</b>	<b>Dr Heather Craven</b>	Optimisation of environmental hygiene practices in dairy factories
<b>Department of Primary Industries Science, Research &amp; Development</b> > Teagasc – Moorepark > Dairy NZ	<b>Dr Bill Wales</b>	Building research capability/capacity in feedbase and whole farm systems
<b>Department of Primary Industries</b> > Dairy Australia Limited > Victoria University > School of Biomedical & Health Sciences > CSIRO Food and Nutritional Sciences	<b>Dr Martin Auld</b>	Feeding systems for higher value milk
<b>GippsDairy Inc</b> > WestVic Dairy Inc > Murray Dairy Inc > Department of Primary Industries > CSIRO Sustainable Eco Systems > Australian National University > Fenner School of Environment and Society > The University of Melbourne > Melbourne School of Land and Environment > Dairy Australia Limited	<b>Dr Danielle Auld</b>	Cockchafer dynamics and dairying: finding real solutions to a complex problem

# NEW PROJECTS

## 2010 CONT.

PROJECT AND PARTNER ORGANISATION	PROJECT LEADER	PROJECT TITLE
<b>Murray Dairy Inc</b>	<b>Ms Sarah Parker</b>	Cluster Farms – innovative business models for dairying in the Murray Dairy region
<b>Murray Dairy Inc</b>	<b>Mr Mike Morris</b>	Irrigation in dry conditions – Northern Victoria irrigation RD&E priorities
<b>Murray Goulburn Co-operative</b> > Dairy Food Safety Victoria > Department of Primary Industries > Biosecurity Victoria > Dairy Australia Limited > Environment Protection Authority Victoria	<b>Mr Andrew Gallagher</b>	Future reporting of whole farm risk management – implementing the FarmC@re concept for the Victorian dairy industry
<b>The University of Sydney</b>	<b>Prof John House</b>	Strategies for low cost molecular screening of contagious mastitis pathogens
<b>University of Tasmania Food Safety Centre</b> > Dairy Food Safety Victoria	<b>Prof Mark Tamplin</b>	Steady-State Modelling: A decision support tool to predict and manage dairy operation outcomes

## COMMUNITY AND PEOPLE DEVELOPMENT PROGRAM

Investing in community and people development is vital to those who live and work within the dairy sector. Attracting, retaining and developing talented dairy people and strengthening dairy community capacity to manage change and prosper into the future are priority program areas.

PROJECT AND PARTNER ORGANISATION	PROJECT LEADER	PROJECT TITLE
<b>Dairy Industry Association of Australia</b>	<b>Mr Doug Eddy</b>	Australian dairy manufacturing scholarship – funding for post-farm gate employees with the Australian dairy industry
<b>Farming Minds</b> > At the Crossroads > Outback Initiatives	<b>Mr Rob Patrick</b>	Building mid-level leadership capability across the dairy supply chain
> <b>Jaydee Events Pty Ltd</b> > Dairy Australia Limited	<b>Mr John Hutchinson</b>	Cows Create Careers – Schools to Industry
> <b>The Song Room Inc</b> > Melbourne Symphony Orchestra > Orchestra Victoria > Victorian Opera > Country Education Project > 3MBS	<b>Ms Deborah Nicholson</b>	PING – remote music education project
<b>Victorian Farmers Federation/UDV</b>	<b>Mr John Borromeo</b>	Company Director training for UDV Central Councillors 2010–2011
<b>Victorian Farmers Federation/UDV</b> > National Centre for Dairy Education Australia > Federated Farmers of New Zealand	<b>Mr John Borromeo</b>	VFF/UDV dairy apprentice study tour of New Zealand dairy farming 2011
> <b>The University of Melbourne</b> > <b>Melbourne School of Land and Environment</b> > GippsDairy Inc > WestVic Dairy Inc > Murray Dairy Inc	<b>Dr Ruth Nettle</b>	Retaining people in dairy farming – what is working and why?
<b>Western District Health</b> > Deakin University > Colac Community Enterprise	<b>Ms Susan Brumby</b>	Sustainable Dairy Farm Families – future directions
<b>WestVic Dairy Inc</b> > Dairy Australia Limited	<b>Mr Mike Weise</b>	DairySage mentoring – implementation

# NEW PROJECTS

## 2010 CONT.

### GARDINER FOUNDATION SMALL COMMUNITY GRANTS ADMINISTERED BY THE FOUNDATION FOR RURAL AND REGIONAL RENEWAL (FRRR)

In a program delivered by the Foundation for Rural and Regional Renewal, the Gardiner Foundation provides funding of up to \$5000 to support community based projects within dairy regions of Victoria.

PROJECT AND PARTNER ORGANISATION	PROJECT TITLE
1 <sup>st</sup> Cobden Scout Group	Scout Hall upgrade Stage 2 <b>Cobden</b>
Avon Landcare Group Inc	Avon Environmental Holiday Program <b>Stratford</b>
Bendigo Diocesan Trust Corporation	All Saints Community Upgrade <b>Tatura</b>
Casterton Kelpie Association	The Australian Kelpie Muster Community Infrastructure <b>Casterton</b>
CFA-Hopkins-Curdies Group of the Country Fire Authority	Equipping of CFA group-owned Forward Command Vehicle <b>Allansford</b>
Cha Cha Girls (sponsored by Kyabram Baptist Church)	Strength from Groups <b>Stanhope</b>
Cohuna Neighbourhood House Kerang District Health	Men's Shed <b>Cohuna</b>
Coleraine & District Development Association Inc	Men's Shed <b>Coleraine</b>
Girgarre Community Group Inc	Community Activity Room <b>Girgarre</b>
Inglewood & Districts Health Service	Men's Shed (Grey Bones at Work) <b>Inglewood</b>
Kyabram P-12 College	State School Spectacular Experience <b>Kyabram</b>
Leitchville Cohuna Discussion Group	Strengthening our Community Gym (equipment upgrade) <b>Cohuna</b>
Macorna Public Park & Recreation Reserve Committee	Community Participation <b>Tragowel</b>

**PROJECT AND  
PARTNER ORGANISATION****PROJECT  
TITLE**

Monash University Gippsland Student Union Inc	Pooh Corner Child Care Centre <b>Churchill</b>
Myall Hall Committee	Barbeque Shelter <b>Myall</b>
Nathalia & District Community Association	Volunteer white goods <b>Nathalia</b>
Neerim Memorial Hall Committee Inc	Ride-on lawn mower <b>Neerim South</b>
Nullawarre & District Kindergarten Inc	Painting interior of Kindergarten <b>Nullawarre</b>
Numurkah Toy Library	Promoting sustainability at the Numurkah Toy Library <b>Numurkah</b>
Progressing Cobden Inc	Lake Dobden Project – Stage 1 <b>Cobden</b>
Red Hill Public Hall & Recreation Reserve	Painting the Red Hill Hall <b>Cobden</b>
Rotary Club of Myrtleford	Alpine Driver Education Program Myrtleford
Stanhope & District Kindergarten	Toddler Playground <b>Stanhope</b>
Terang Community Wetland Committee Terang College	Terang Community Wetland Project <b>Terang</b>
Tongala Community Activities Centre Inc	Tongala Cottage shade sail <b>Tongala</b>
Welshpool & District Advisory Group Inc	Bridging the technology gap for farmers <b>Welshpool</b>
Winchelsea Community House Inc	School Holiday Program <b>Winchelsea</b>

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