

GARDINER FOUNDATION



GARDINER 
FOUNDATION
ANNUAL REPORT 2011



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.

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Key achievements for 2010-11

- \$4.7 million increase in the value of financial assets invested with ANZ Trustees, to finish the financial year at \$83 million.
- \$2.2 million invested in 46 new projects.
- \$8.6 million investment in ongoing projects over the next 5 years.
- The Gardiner Foundation Board is refreshed, with Mike Taylor AO appointed as Chairman plus Michael Carroll and Barry Irvin bringing new skills to the Board deliberations.
- The Board forms new Sub-Committees to enhance funding programs, investment of reserves, management of accounting functions and support of the operational team.
- Wolfie Wagner and Kate Randall are appointed as Program Managers to drive the *Flexible Dairy Business* and *Community & People Development* Programs.
- Gardiner Foundation initiates a series of dairy leaders meetings for the chief executives of Australia's seven largest dairy companies, funding and advocacy bodies. The dairy leaders agree to collaborate in donation of two million litres of milk to the national Foodbank Program.
- Philanthropy Australia lists Gardiner Foundation as the sixth largest philanthropic grantmaker in Australia.
- Dairy farmer participants in the Gardiner Foundation funded Murray Dairy - *Dairy Business Networks* use "lessons learned" to achieve significantly in 2009, 2010 and 2011 in the prestigious Dairy Business of the Year Awards. Achievements included a Supreme Winner, Dairy Business of the Year and co-winner of the Trans Tasman award, as well as many regional and category successes.
- Work on the *Sustainable Milk Production* model nears deployment. This "flight simulator" tool enables dairy farmers to manage volatility by modelling different settings for farm operations, then providing a ten year prediction of profitability and productivity.
- The "*MilkPlus*" project conducted by Warrnambool Cheese and Butter delivers \$2.1 million per annum in increased protein payments to dairy farmers, \$0.4 million in improved production efficiencies – creating 1,000 tonnes of additional product for the same milk flow.
- The \$12.5 million *Dairy Health and Nutrition Consortium* set up by the Gardiner Foundation completes the fourth year of operation with key projects supporting healthy consumption of dairy products and planning to transition to alternative funding by 2014.
- Over half the people who work in dairy live in small rural communities of fewer than 5000 people. Gardiner Foundation led development of a pilot *Strengthening Small Dairy Communities Program* in South Gippsland Shire. This program will be rolled out in other regions in 2011-12.
- The Foundation's Directors and Team continue to be deeply embedded in the dairy industry boards and committees that identify priority issues and respond with investments across the dairy value chain.

A message from the Minister for Agriculture and Food Security

Strong partnerships and collaboration in research and development are the keys to maximising benefit for investment in boosting productivity for Victorian food and fibre producers into the future.

The relationship between the Gardiner Foundation and the Victorian Government through the Department of Primary Industries (DPI) is helping maintain competitive, productive and profitable farm businesses.

In the Foundation's 10 year history, it has contributed significant cash investments to support important research and development work conducted by DPI and other partner organisations, such as the Molecular Plant Breeding CRC and most recently though the newly established Dairy Futures CRC.

The work the Foundation funds is creating significant positive impact for the Victorian dairy industry and the wider community, including dairy farming families.

Of course, consumers also benefit from these outcomes, through higher quality milk and other value-added dairy products.

The Foundation's support is also ensuring that agricultural R&D actively engages modern technologies, such as biotechnology that uses DNA to identify the biomarkers in cows that are more efficient in converting pasture to milk whilst producing less methane.

The Foundation's *Statement of Strategic Intent* is another positive step in charting a course towards ensuring further success for the dairy industry in the next three to five years.

The years ahead will continue to produce significant challenges for the dairy industry, as well as present myriad opportunities for the Foundation, its partners and collaborators to help the dairy industry in Victoria continue to thrive.

The Hon Peter Walsh MLA
Minister for Agriculture and Food Security



The Minister for Agriculture and Food Security, Peter Walsh MP, speaking at the Gardiner Foundation Australian Dairy Leaders Luncheon in February 2011.

The Chairman's Review



Michael J Taylor AO

For Gardiner Foundation, 2010 has been a year to refresh and renew the Board, to increase the size and diversity of key dairy stakeholders and to strengthen the Board governance in development of strategy, monitoring performance and protecting the Foundation's corpus.

Eighteen months ago my predecessor, Chris Nixon, instituted a program to renew and refresh the Board. Over one hundred and twenty applicants applied for two Board vacancies, indicating the importance of the Foundation's operations to the Victorian dairy industry.

New appointments to the Board include Michael Carroll, who brings extensive experience in agriculture, investment and financial management, and Barry Irvin, a highly experienced CEO, who leads a major Australian dairy company. In welcoming Michael and Barry, I also pay tribute to Chris Nixon and Ian MacAulay for their insight and leadership of the Foundation since it was formed in 2000.

Directors and staff of the Foundation are embedded in the key boards and committees that set the industry priorities and mobilize investment to respond to them. During 2010/11 the Foundation has increased the size and diversity of its links with key dairy stakeholders.

A key initiative in this stakeholder engagement was to develop a series of dairy leaders meetings. The Chief Executives and Board members of Australia's largest dairy companies, dairy agri-political organizations and funding bodies have met to discuss a range of pre-competitive industry issues and responses. One such discussion led to donation of two million litres of milk to Foodbank Australia, an independent charity that delivers nutritious, healthy food to individuals and families experiencing hardship. Another addressed the importance of productivity improvements.

During the year the governance structures of the Foundation have been strengthened with the formal establishment of Board sub-committees for investment and finance, community development, funding programs and human resources. These sub-committees meet regularly with Foundation Team members to monitor and support the operations of the Foundation.

In the year ahead key strategic issues for the Foundation are to support the Victorian Dairy Industry in maintaining its position as a preferred supplier of dairy ingredients in the world's highest returning markets and to continue to develop the people and communities which underpin the industry. Increased productivity by utilizing land, water, fossil fuels and other resources more efficiently, and growing milk flow across the State, are other high priority issues for the industry. The Foundation will continue to support enhancement of advocacy processes that link issues across the \$12 billion dairy value chain.

The Gardiner Foundation is a unique asset for the Victorian dairy industry. Its independent organizational structure and substantial financial reserves provide it with the agility to respond rapidly and proactively to issues. In the coming year's operations, the Foundation will continue to protect the corpus and the independent structures that underpin that agility.

I thank the Foundation's member organizations, dairy industry stakeholders, fellow Directors and the Team at the Foundation for their support during 2010/11. In the year ahead I look forward to working with them on projects that will have real and positive impact for the dairy industry in the future.



Michael J Taylor AO
Chairman

The Chief Executive's Report



Paul Ford

In this operational year the Foundation has built on its proud record of proactive investment in projects that have significant impact for the Victorian dairy industry and wider community.

For the 2010/11 financial year, project expenditure has been maintained at over \$5 million and \$2.2 million of new funding has been committed to 46 new projects in the 2011 funding round.

The Foundation's funding rounds continue to be oversubscribed with high quality applications. To ensure only the best projects are funded, the Foundation continues to deploy a competitive merit-based selection process. Multi-skilled teams of industry leaders review applications and make recommendations to the Gardiner Foundation Board for funding.

Dairy farmers, factory managers and community leaders continue to chair our project steering committees, ensuring project outcomes are relevant to their day job in the real world. This focus on delivery of real outcomes at farm, factory, consumer and community level is achieved through delivery of R&D and adoption elements being deployed in one seamless project plan.

Projects demonstrating this smarter innovation process are:

- The Foundation invested \$165k in Murray Dairy – *Dairy Business Networks*. Over 100 dairy farms across northern Victoria participated. For the third year running these farmers used “lessons learned” from the whole farm analysis and peer review from the networks to both increase farm productivity and profitability and to win awards in the prestigious Trans-Tasman Dairy Business of the Year Awards.
- The Foundation invested \$450k in the *MilkPlus* project at Warrnambool Cheese and Butter Factory. This project successfully increased protein levels in the milk supply by an average 0.05%. This delivers \$2.1 million per annum in increased protein payments to Warrnambool Cheese and Butter dairy suppliers, \$0.4 million in improved production efficiencies and produces an additional 1000 tonnes of product for the same milk flow. Results are shared with other processors.
- Four years ago the Foundation set up the \$12.5 million Dairy Health and Nutrition Consortium. This is a \$5 million investment by the Foundation matched by \$7.5 million investment by seven of Australia's largest dairy companies. The project brings convergence in Melbourne's world class medical research and a globally competitive Victorian-based dairy industry.
The first round of pre-competitive projects focusing on the use of dairy in management of metabolic syndrome has been completed at Baker IDI, Deakin University and CSIRO. These projects help position Australia's dairy industry as a significant player in health and nutrition and are being used by the seven dairy companies to support the value-add of their products globally.
- The Foundation's funding pioneered the development of the Sustainable Dairy Farming Families Program, launched to improve the dairy community's health and well-being. The program enhances on farm safety and encourages dairy families to participate in regular medical checks. The initial dairy program was so successful it is now part of the Australia-wide National Centre for Farmer Health.

The 2010/11 year has been volatile in terms of financial markets. Despite these difficult trading conditions, the Foundation worked with fund managers ANZ Trustees to increase the value of reserves by \$4.7 million to reach \$83 million at year end.

Dairy stakeholder feedback indicates they value the culture that underpins the Foundation's operations:

- *"Gardiner can do things relatively fast ... not hamstrung by regulation."*
- *"They pick up issues and research that others are not doing."*
- *"Grant opportunities to local communities are not large but they give good spirit to the community..."*
- *"Gardiner has the ability to interface academic research with people with dirt on their boots."*
- *"They don't have an agenda. They are genuine in their commitment to do the right thing."*

During the year, Dr Amy Richards completed her secondment with the Foundation and returned to CSIRO Health and Nutritional Services. Wolfie Wagner joined the team to drive the Flexible Dairy Business Program. Kate Randall joined as Program Manager, Community and People Development and Donor Relations and Dr Aaron Gosling joined as Program Manager Innovation. We thank Amy for her food science skills, and welcome new members of the Team.

I thank the directors for their ongoing support and counsel.



Paul Ford
Chief Executive

The Board



Gardiner Foundation Board (l. to r.): Professor Robert Clark AM, Professor Paul Moughan, Doug Chant, Barry Irvin AM, Michael Carroll and Mike Taylor AO (Chairman).

MIKE TAYLOR AO, CHAIRMAN

B.Agr.Sci, Dip.Ag.Econ.

Mike Taylor was formally appointed Chairman of the Gardiner Foundation in November 2010. He brings broad experience in management, marketing, economic policy and planning to the role. He has a deep commitment to the dairy industry and is widely respected for his leadership of the Australian Dairy Industry Council in the early 90's, continuing through a long and distinguished career in the Victorian State and Commonwealth public service, particularly in his roles as Secretary to the Victorian State, and later Federal Departments of Agriculture.

MICHAEL CARROLL

B.Agr.Sc, MBA, MAIDC

Michael joined Gardiner as a director in November 2010 and brings to the Board broad financial and agricultural experience. He held a number of senior executive roles in corporate banking and created and led NAB's successful Agribusiness Division, a model replicated in the banking and other industry sectors. Earlier he worked in a number of companies in the agricultural sector and continues that focus through serving a range of agribusiness companies in a board and advisory capacity. He has a 130 year family tradition in agriculture and owns his own property in Western Victoria.

DOUG CHANT

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

PROFESSOR ROBERT CLARK AM

B.Agr.Sci (Hons), PhD, FAIST

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

BARRY IRVIN AM

Barry joined the Gardiner Board in November 2010. As Executive Chairman of Bega Cheese and a director of other prominent dairy industry organizations, he brings broad dairy industry knowledge to his role on the Gardiner Foundation Board, including expertise in financial and investment management. Barry has first hand experience of the philanthropic sector, having established *Giant Steps* in Sydney, which caters for children with special needs.

PROFESSOR PAUL MOUGHAN

B.Agr.Sc (Hons), PhD, D.Sc, FRSNZ, FRSC

An independent director since 2000, Paul is a globally pre-eminent dairy scientist in nutritional and health promoting properties of milk components and milk products. His input to Board deliberations ensures scientific excellence in projects funded by the Gardiner Foundation. He is a co-director of the Riddet Institute at Massey University in New Zealand and in 2011 admitted as a Fellow of the Royal Society of Chemistry, based in Cambridge, England.

CHRIS NIXON, Chairman to November 2010 (retired)

IAN MACAULAY, Director to November 2010 (retired)

The Team



Gardiner Foundation Team (l. to r.): Dr Karensa Delany, Dr Aaron Gosling, Kate Randall, Jenny Walsh, Cynthia Mrigate, Prof. KL (Jock) Macmillan, Michael Tippett, Wolfie Wagner and Paul Ford.

PAUL FORD

Chief Executive

HDDT, Fellow ARLF, DIAA John Bryant Gold Medal

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 this experience to set the strategic direction for the Gardiner Foundation.

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.

MICHAEL TIPPETT

Company Secretary and Corporate Lawyer

LL.B

Appointed in 2007, Michael provides secretarial support to the Board, advises on corporate governance and risk, and negotiates project funding agreements. Prior to joining the Gardiner Foundation, Michael was a practicing lawyer and Executive Director of Barristers' Clerking Service Pty Ltd.

CYNTHIA MRIGATE

Communications Manager

Cynthia joined the Gardiner Foundation as an inaugural team member in 2000 and presently administers the Foundation's program of engagement with the industry's top stakeholders. To undertake this role Cynthia draws on her experience working in program administration for the Parliament of Victoria, the Victorian State Government and United Nations specialized agencies.

DR KARENDA DELANY

Program Manager Innovation

B.Sci (Hons), PhD

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.

DR AMY RICHARDS (to May 2011)

Program Manager Innovation

BAppSc (Hons) Chemistry, PhD

Amy undertook the role of Program Manager Innovation for a second time in 2010/11, on secondment from CSIRO Food and Nutritional Sciences. She has a physical and analytical chemistry background, particularly compositional and structure function properties of milk protein and lipids, bridging the gap between onfarm factors and processability.

The Team (cont.)

DR AARON GOSLING (from May 2011)

Program Manager Innovation

B.Sci (Hons), PhD

Aaron was appointed as Program Manager Innovation in May 2011. He has a strong background in biochemistry research, focusing on milk processing, authoring an article on enzymatic lactose conversion that has been cited 12 times in the scientific literature of the past year. His practical approach is helping guide projects to deliver a "real world" outcome for the Victorian dairy industry.

PROFESSOR K L (Jock) MACMILLAN

Program Adviser/Consultant (part-time)

MAgrSc (Hons), PhD, DSc, FRSNZ

Professor Macmillan first joined the Foundation in 2008 to lead the development work – in collaboration with Dairy Australia and DPI Victoria – toward the introduction in 2010 of the *Flexible Dairy Business Program*. He now acts as Program Consultant/Adviser on specific project initiatives of the Foundation.

WOLFIE WAGNER

Program Manager, Flexible Dairy Business Program

B Ag Sci (Hons)

Wolfie was appointed Program Manager, Flexible Dairy Business Program in August 2010. Wolfie has extensive industry knowledge at pre-farmgate. His background and ability to work collaboratively with stakeholders has been an important factor in smoothly progressing the early development of the FDBP, particularly working in cooperation with co-funders DPI Victoria and Dairy Australia.

KATE RANDALL

Program Manager, Community and People Development and Donor Relations

Kate joined Gardiner Foundation in August 2010. She brings a diverse background to her role, including extensive project management experience in community and technical environments. After a career in the not-for-profit sector, primarily in community and disability services and advocacy, Kate joined the dairy industry via UDV and now supports a portfolio of projects delivering positive impact for the Victorian dairy industry and its communities.

Performance of the Gardiner Foundation Investment Portfolio

Managed by ANZ Trustees

Management Summary

Overview

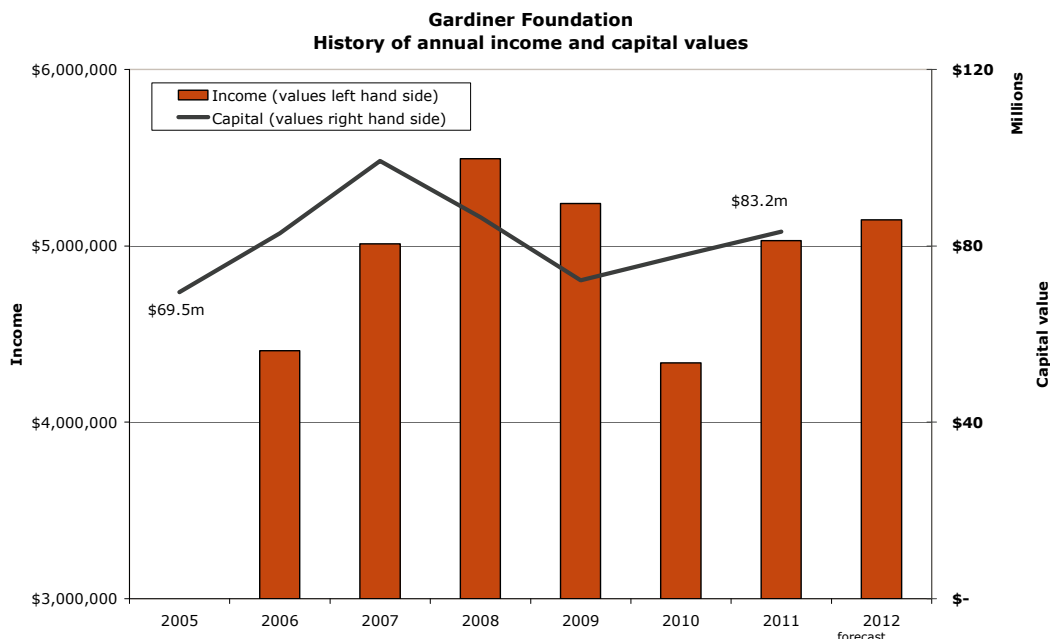
The Gardiner Foundation Investment Portfolio (the Portfolio) has been managed by ANZ Trustees since 2005, with a long-term investment strategy appropriate for perpetual charitable foundations.

Perpetual charitable foundations that choose not to have access to their corpus require a long-term investment strategy that will produce a reliable income stream that grows in excess of inflation.

To that end, the Portfolio currently holds 84% in Australian shares, with the following summary evidencing the performance of the portfolio under the management of ANZ Trustees.

- After an initial investment with ANZ Trustees of \$69.5 million, the corpus has grown to \$83 million (including accrued income), representing a capital growth rate of 3.3% per annum, after disbursing income as noted below.
- This growth rate can be related to a 1.5% per annum market average and 3.0% per annum inflation, as measured by CPI, over the same period.
- The investment strategy has also yielded a very stable and reliable income stream, with a total of \$31.6 million in income produced under the management of ANZ Trustees.
- The combined value of the current portfolio, together with funds distributed since ANZ Trustees commenced management of the fund approximates \$101 million.

The graph below highlights the performance history of the portfolio.



Portfolio highlights

- Total Portfolio income as disclosed in the financial statements was \$6.8 million.
- Forecast income from the Portfolio (including franking credits) is \$5.3 million for the financial year 2011/12.
- Portfolio increased by \$4.7 m for the financial year 2010/11, with a market value of \$83 million (including accrued income) at 30 June 2011. This capital return was achieved despite challenging market conditions.
- A buyback of BHP shares was finalized and produced a favourable outcome for the portfolio by adding appreciatively to relative performance.

Investment objectives

- To invest the capital of the Portfolio in a diversified manner so as to achieve income of not less than \$5 million per annum (including franking credits and after investment management fees).
- To grow the income by at least the rate of inflation over a rolling 2 year period.
- To achieve a capital growth in excess of 90% of the ASX 100 Price Index over a rolling 2 year period.

Making an Impact for Dairy

Since 2000 the Foundation has invested in excess of \$35 million in cash contributions to over 500 projects. With partner co-funding this represents \$150 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 of ongoing investment in innovation.

The Foundation's funding programs centre around

➤ **Building Science Capability**

This program builds capabilities that underpin science, technology and services to create a highly agile and responsive infrastructure providing relevant and timely support to the Victorian dairy industry on priority issues for public good.

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, and created the \$12.5 million Dairy Health and Nutrition Consortium.

➤ **Innovation**

For the Foundation "innovation" means a single process whereby the "research and development" needed to create new science, technology, processes or services is seamlessly linked with "adoption" of that R&D, delivering demonstrable outcomes at farm, factory, consumer or community level.

The Innovation Program creates a portfolio of projects based around one or more of the following activities:

- the design and adoption of new science, technology, products or services and production or processing techniques;
- the adaptation of dairy production or processing technologies developed overseas for use in the Victorian dairy industry;
- the innovative redesign of existing production/processing technologies to improve efficiencies and productivity across the dairy value chain.

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

➤ **Community and People Development**

This Program responds to demographic data showing the Australian workforce is shrinking for the first time in 60 years. An imperative for the dairy industry 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. Strengthening these communities that support dairy is a defining issue for the industry.

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

- *Cows Create Careers* – providing year 8&9 students with career opportunities in the dairy industry
- Built the *Young Dairy Development Program* to become a State-wide program with 1000 members, now operating independently
- Built the *DairySage Mentoring Program*
- Supported a range of leadership programs that have helped develop current and future dairy leaders.

New Gardiner Programs

Two major new programs were introduced in 2010 – the **Flexible Dairy Business Program** and **Strengthening Small Dairy Communities**.

New Gardiner Programs Flexible Dairy Business Program

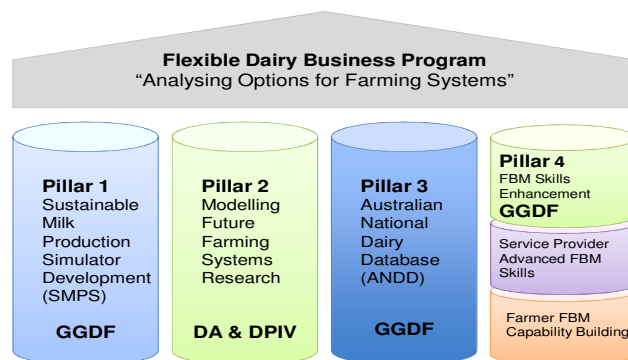
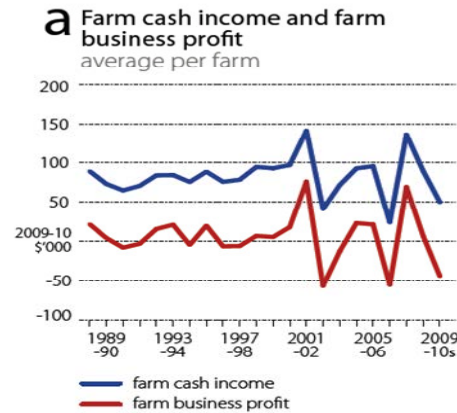
Collaborating organizations:

Gardiner Foundation, Dairy Australia, Department of Primary Industries

The environment in which Australian dairy farming enterprises operate is very volatile in terms of climate, milk price, inputs (price and supply) and economic drivers (e.g. interest rates), leading to volatility in farm income and farm business profit.

In 2010 the Australian Bureau of Agriculture and Resource Economics (ABARE) report on Financial Performance of Australian Dairy Farms, 2007/08 to 2009/10, illustrated the volatility that dairy farm businesses have experienced over the last decade (refer to graph on right).

That volatility is the driver which led to the establishment of the **Flexible Dairy Business Program (FDBP)** – a collaborative program comprising four pillars of work to be undertaken by major dairy industry stakeholders.



The Flexible Dairy Business Program enhances the discussion between farm operators and their trained and trusted advisers (and/or service provider) on farm, across the kitchen table. The pillars, SMPS and existing predictive tools, outcomes from modeling and farming systems research, accurate data generated by the ANDD, together with skilled advisers with enhanced whole of farm system thinking and Farm Business Management (FBM) skills will be the enablers of this high level discussion which will:

- Assist dairy farmers to develop skills which improve farm management responsiveness to positive and/or negative changes in the operating environment;
- Enhance dairy farmers' ability to develop and analyse options for their unique individual farming operations;
- Reduce vulnerability of dairy businesses to volatility; and
- Enhance the longer term industry wealth and sustainability.

New Gardiner Programs: Strengthening Small Dairy Communities

In 2010/11 the Foundation continues to focus on small dairying communities. Nearly two thirds of dairy industry employees live and/or work in small towns of fewer than 5000 people and there are around 200 of these small dairy communities in Victoria – many under increasing pressures. The dairy industry relies on a rural workforce and rural services, so the strength and vibrancy of small communities is a critical issue for the future sustainability of the dairy industry.

Strengthening Small Dairy Communities is a new funding program being piloted by the Gardiner Foundation, whereby the Foundation works with and within clusters of small dairy communities to:

- Identify needs, issues, priorities and resources
- Mobilise project teams
- Seek and win competitive grants
- Successfully implement and manage projects to deliver impact at community level.

In late 2010, the first of three regional projects commenced in the Lower Tarwin Valley district of South Gippsland, in partnership with the South Gippsland Shire Council and GippsDairy. The Lower Tarwin Valley district comprises the communities of Buffalo, Dumbalk, Fish Creek, Koonwarra, Meeniyar, Stony Creek, Tarwin Lower and Venus Bay, and the areas in between. This first project will develop and test a robust project framework and models of community engagement that can also be implemented in Western and Northern Victorian dairy communities over the next three years.

Since the project was launched in Meeniyar last December, communities have commenced planning for their future and identifying priority actions. In the coming months community volunteers will form project teams and develop project plans, submit funding applications, and implement funded projects. Practical workshops and coaching have commenced, to help increase the confidence and skills of community volunteers in these key areas.

The Gardiner Foundation will provide up to \$150,000 for community projects in the first year, and communities will also seek grants from further afield to leverage this seed funding. The entire project is overseen at a district level by a network of nominated community and business/organizational representatives from each town, to ensure the whole district is aware of and has input to the project.

Like many volunteers in rural communities, Fish Creek resident Catherine McGlead wears a number of hats. She is involved in the Fish Creek Community Garden Group, Prom Country Tourism, the Great Southern RailTrail, and the Prom Coast Film Society. Catherine is excited about the *Strengthening Small Dairy Communities* project in her district.

"This project gives us the opportunity to think of our district as a whole community, rather than each community working in isolation. This positive approach has the potential to benefit all of us much more than if each small town was competing individually."

Catherine McGlead, Fish Creek.

Strengthening Small Dairy Communities will continue to unfold in South Gippsland over the next two years, and the Foundation hopes to commence a second project in a new cluster of dairy communities early in 2012. While the project will likely tackle different local issues in the three regions, the key program elements of increased partnerships, skill development and investment in community projects will remain consistent.



Community Launch of the Program at Meeniyar's Tanderra Park. (l. to r.) Cr Warren Raabe, Mayor, South Gippsland Shire Council, Paul Ford, Ailsa Fox (VFF), John Hutchison, Jaydee Events and Stacey Gardiner, daughter of the late Geoffrey Gardiner.

Investment making an impact

Green Cleaning™

GippsDairy Board Inc
AgVet Projects Pty Ltd



The project developed and introduced a range of new milking machine cleaning systems to the Victorian dairy industry that require much less energy, chemicals and water. Trial results showed:

- A greater than 75% reduction in electricity used for heating water for machine cleaning;
- A greater than 65% reduction in electricity costs for heating water for machine cleaning;
- A 63% reduction in the volume of water used for cleaning milking machines; and
- A 10-30% reduction in chemical use.

Conventional milking machine cleaning systems are very inefficient. They use large volumes of hot water and dairy chemicals once before discharging them to waste. The new Green Cleaning™ system uses low temperature chemicals, captures the wash solutions for re-use and applies energy efficient design principles. The system is now being commercialized by several of Australia's largest dairy equipment and chemical suppliers.

Four commercial trial sites are now operational, with at least one in each of Victoria's three main dairy regions. Four commercial companies are offering Green Cleaning™ systems and three companies are offering chemicals suitable for low temperature re-use. A range of different models are available, costing from \$25,000 to \$50,000 installed.

Economic modelling shows that Green Cleaning™ systems will be particularly attractive to those farmers using large volumes of hot water (i.e. farms with larger dairies), those undertaking major milking equipment upgrades and those building new dairies.

Even a modest uptake of the Green Cleaning™ system by between five and ten percent of farms over the next 10 years, will save the Victorian dairy industry between \$17m and \$65m in today's dollars.

The benefits to the environment are also anticipated to be substantial - saving between 170 and 237 GigaWatt hours of electricity; 2,100 to 2,600 ML of good quality water; and reducing the use of concentrated acid and alkali detergents by between 1.25m and 1.56m litres.

The project was a three year research, development and commercialisation project which started in Aug 2008. The project was managed by AgVet Projects on behalf of GippsDairy, and was supported by the Victorian Government's Sustainability Fund and the Gardiner Foundation. It included seven of the major dairy equipment and dairy chemical suppliers as 'Industry Partners'. The Green Cleaning system was a Category Finalist in the prestigious Banksia Environmental Awards in 2010.



Gabriel Hakim of AgVet Projects.

"With increasing electricity prices and inconsistent water availability through the seasons this technology makes sense. Dairy Cropping Australia is always looking to make savings where we can and improve overall business efficiency".

Steve and Andrew Ronalds, Dairy Cropping Australia – site of the first Green Cleaning installation.

"The heating of water for washing down plant and equipment in the dairy is the greatest energy user in the shed. We use hot water every day of the year and wanted to make savings for us and the environment."

Chris Vaughan, dairyfarmer, Yarragon.

Milk conversion cost effectiveness through the Adoption of Real-time Metrics Analysis – *Energy Efficiency*

Tatura Milk Industries

Co-funded by the Gardiner Foundation and the Australian Government Department of Agriculture, Fisheries and Forestry under its Regional Food Producers Innovation and Productivity Program

The typical annual energy bill for a 2 million litres/day milk processing factory amounts to millions of dollars per year for thermal and electrical energy combined, with actual usage dependent on product mix. With energy costs, particularly electricity, rising rapidly, the imperative in the next 20 years will be to produce more with less fossil fuels and less water. If even small improvements are made, the energy cost savings can be significant and, when combined with potential capacity improvements, makes incremental metering very viable.

The outcomes from this work will give guidance to the Australian dairy industry on best case metering options, on just what to meter cost effectively and, finally, and perhaps most importantly, how the various players (Operators, Process Managers, Environment and Senior Managers) can use the increased information to improve plant operations.

Frank Baldi, Operations Manager, Tatura Milk Industries

Real time metrics associated with milk drying will assist the Australian Dairy Industry to maintain its competitive position and increase its profitability. The example developed at Tatura Milk Industries will be able to be applied across the majority of spray dryers in Australia.

There has been a gap in the ability of the dairy industry to quantify conversion costs in the production of one of the industry's major export products. Until now the industry has not been able to gauge energy usage in real-time, or to link this to actual costs of production and potential savings.

Spray driers tend to be run conservatively to minimise the risk of clogging the plant with sticky powder particles. When such a clogging event occurs, it results in downtime while the plant is cleaned. Plant operating staff are currently unwilling to take that risk, as it reduces their productivity and the task of cleaning a clogged spray drier is difficult.

However, using conservative operating parameters limits the throughput of the drier, as well as increasing the amount of energy used per unit product. There is a substantial opportunity for increasing productivity, or energy efficiency, or both, if a system could be devised to inform the plant operators how parameters can be made more optimal without increasing the risk of downtime.

To grasp this opportunity, TMI is conducting a project that involves installing meters on a spray drier to gather information on all significant process inputs and outputs. This information is then automatically collated and displayed in real time, allowing the operator of the spray drier to change parameters so that the plant operates in a more efficient manner. The project is being conducted by energy efficiency expert Kevin Joyce and TMI staff.

Given that spray dried milk powders earned Australia an estimated \$1.1 billion from exports in the 2007/8 year, it is a challenge worth addressing. Value from improving the efficiency of milk processing operations can only increase in coming years, against the back drop of rising energy prices and an expanding market for commodities that can demonstrate best practise for energy efficiency.

This project is not just about installing a few meters, it is really about developing an ongoing monitoring system and culture to improve operations for the plant and by providing more satisfaction for those operating it. The other important consideration is how this metering can contribute to overall plant performance. Whilst the energy savings are one thing, the ability to monitor more variables does allow the plant to be tweaked which can deliver improved capacity. If tonnage can be increased then this will dramatically impact on the specific energy performance of the plant (i.e. the Gigajoule consumed per tonne of powder produced). The management of TMI is passionate about improving metrics in all facets of the business.

Graham Parton, Environment Manager, Tatura Milk Industries

Dairy Business Networks

Murray Dairy Inc

Partner Organisation: National Centre for Dairy Education

Dairy farming businesses in Northern Victoria have for a number of years faced a persistently challenging operating environment, impacted by poor milk prices and historically low water allocations. It was recognized that dairy farmer business skills needed to be enhanced so they could develop the strategies and knowledge needed to progress their businesses and adapt to change.

The Dairy Business Network model provides a mechanism in which to do this, whilst also ensuring a safe and non-threatening learning environment where detailed data sets of dairy businesses can be discussed.

The core objective of the DBN project was to change the business culture within the region by promoting sound principles in business management and highlighting dairy farming as a profitable and rewarding career. Other objectives included increasing use of economically sound farm business management principles to measure and improve profit and increase understanding of business risk; expanding the DBN network across the region and creating a core of farmers enabled to take leadership roles; promoting the activities and achievements of the DBN to increase the number of farmers identifying improvement in farm business management as a priority.

The project has brought together small groups of farmers to meet and consider a host farm's commercial data, with a consultant facilitating discussions on business decisions and risk management. Participants become more rigorous in their thinking before making important decisions, because they are discussing the options in dealing with issues such as managing wet weather, drought or choosing between grains and pellets to supplement pasture feed with other farmers who are similarly impacted.

The increase in business skills delivered by this project is demonstrated by DBN participating farmers dominating recent Dairy Business of the Year (DBOY) Awards. The DBOY competition allows dairy farmers to benchmark themselves against others in the industry and supports business excellence in dairy farming.

DBN participating farmers, the Lang Family of Tatura, achieved Supreme Winner, Dairy Business of the Year, 2010 and were also co-winners of the Trans Tasman award. Other Northern Victorian and southern NSW farmers who participated in the Murray Dairy Business Networks achieved significant success in the Dairy Business of the Year awards in 2009, 2010 and 2011 as regional and category finalists and winners.

The project was funded by the Gardiner Foundation and led by Murray Dairy. The National Centre for Dairy Education Australia had an important involvement and participants were given the opportunity to enrol in business courses to formalize what they were learning.

Murray Dairy has identified the Dairy Business Network Model as an integral component to strengthening capacity and capability within the region.



Werner, Josie and Phil Lang

The Lang Family of Tatura scooped the pool in the Dairy Business of the Year Awards 2010, taking the Supreme Winner (Irrigated), Northern Victorian, Medium Concentrate and Pasture Harvest Awards. They were also joint winners of the Trans Tasman award.

Josie and Werner Lang operate their farms at Tatura with sons Phillip and Markus. They identified a thorough understanding of what drives profit on their dairy farm, along with careful budgeting as key factors in their success.

"As a young farmer, I got insights and solutions from participating in the Dairy Business Network. Discussions with other farmers and benefiting from their knowledge and experience, was really useful."

Phillip Lang.

Gateways 4 Sustainable Communities Northern District Community Health Service

Gateways 4 Sustainable Communities (Gateways) used an innovative project in tackling youth disengagement from education, training and employment in small agricultural communities in the Loddon-Murray region. It partnered educators with employers and the wider community to create vocational “gateways” through which young people are entering local agricultural industries.

As a result of Gateways’ school, TAFE, industry and community partnerships:

- More than 30 young people have taken up opportunities to work and train with local businesses, including farms.
- 14 high school students have completed a Certificate II in Agriculture and another 18 are undertaking the two-year course.
- Twenty adults were trained in Certificate IV Training and Assessment, and can now provide formal training to school students on their farms and in their businesses.
- Teachers observed students demonstrating increased self-esteem and motivation for education as they explored different career paths and found something they are good at.
- Local agriculture and other industries now have input into the schools’ curriculum development – and because the curriculum is driven by local business needs, businesses are happy to invest time and resources into delivering education.
- Cohuna Secondary College is now delivering a year 12 Specialist Maths subject for the first time in 7 years, and in August 2011 received a Victorian Government award for Science and Mathematics Excellence in recognition of the Gateways program.

Gateways also provided young students with the opportunity to participate in agricultural study tours to the US in 2009 and New Zealand in 2011. As a result of the 2011 study tour:

- 13 out of 30 participants are more likely to consider careers in agriculture, and 3 will definitely pursue a career in agriculture.
- 11 have “lots” of interest and career aspiration in dairy, compared with just 3 beforehand.
- 28 are now aware of more agricultural career opportunities than previously.
- 26 feel more confident in their ability to cope with new challenges.

The Gateways model was developed in 2007 by the Northern District Community Health Service and the North Central and Campaspe Local Learning and Employment Networks (LLENs), and delivered between the service agencies, high schools, local government and community members of Boort, Cohuna, East Loddon and Pyramid Hill.

Gardiner Foundation’s funding of Gateways finished in mid-2011, but the partnerships formed within and between the four communities remain strong and will continue to support local youth to enter agricultural learning and employment. The Gateways Steering Committee also developed a “blueprint” detailing key success factors of the model and process, which can be used by other organizations to help support similar projects in the future.



Sam Withington, Boort District School, Learning some practical farming skills at the Agriculture Academy, watched by Sophie Brown from Cohuna Secondary College.

One student said that Gateways provided “...an opportunity to get out of the classroom and get to know local producers and learn about the wide variety of agricultural and horticultural production in our local area. It was great to spend time with farmers who were willing to help us learn.”

One local farmer and Cert IV graduate reflected that “There is a real shortage of good labour here; it is a benefit to have experienced kids coming through to support farmers in the area. Gateways is giving kids an opportunity to study and work in the community.”

Developing Leadership

Dairy participants in Regional Community Leadership Programs

“Daring to change” – a new program for emerging senior dairy leaders Farming Minds

Skilled leaders are key drivers of growth and sustainability in the dairy industry and its rural communities. The Foundation has a long and proud track record of sponsoring dairy scholars in the Regional Community Leadership Programs and the Nuffield Farming Scholars Program, with more than 40 skilled and well-networked Gardiner graduates State-wide. These leaders are building dairy's capacity to influence issues at a local and regional level, such as labour, water, energy, right to farm and land-use planning, and many more.

The Foundation has also contributed to the development and adoption of the dairy industry's leadership strategy, *Dairy Leadership – An Industry Blueprint 2010-2015*, led by the Australian Dairy Industry Council. This Blueprint describes the need for leadership in the Australian dairy industry at three distinct levels – tier 1 being local, tier 2 being regional or State-wide, and tier 3 national and global. The Blueprint estimates that around 40 new leaders are required each year to fill existing roles. While there is a range of leadership development opportunities at tier 1 and 2 levels, there are very few at the crucial tier 3 level, where issues like securing premium global markets and boosting production to feed 9 billion people by 2050, and making the transition to alternative energy sources, all come into play.

This prompted the Foundation to fund a project led by Rob Patrick of Farming Minds (and formerly of the Australian Rural Leadership Foundation) to design and run a tier 3 dairy industry leadership development program early in 2012. *Daring to Change* is a 3-session development program for the next crop of senior leaders right across the dairy value chain in supply, processing, service and research roles. This new program will give a small group of committed leaders the opportunity to develop high-level leadership, governance, strategic thinking and policy development skills, and to significantly boost their networks within dairy and beyond. Further information will be available on the Gardiner Foundation's website from October 2011.

The Gardiner Foundation remains committed to supporting the continued development of new and more experienced dairy leaders over the coming years, to ensure the industry has the leaders it needs, and that dairy communities are strong and vibrant enough to support the industry's growth and sustainability well into the future.

In the words of 2011 Gippsland Community Leadership Program scholar, Catherine Hanrahan, who has a large dairy farm at Stony Creek, *“It is a great opportunity to meet some wonderful people and gather information that I can apply to both my working and community life. My hope is that with the confidence that this year has given me, I will be able to contribute in a positive way and give some voice to dairy farmers in my local community.”*



Jacinta Hicks with Murray Dairy Regional Coordinator, John Boyd.

Jacinta Hicks, a Calivil dairy farmer and 2010 Loddon Murray Community Leadership Program graduate, reflected on her experience: *Being a participant in the Leadership Program has given me renewed passion about my community and what I can do to help make a difference. Already I have become more involved in my community, taking on roles that once I would never have thought possible. Within the Program I felt that I was able to contribute to debates around dairy and water issues that also allowed others within the group to understand the current situation within the dairy industry.”*

Working in Dairying Communities

A Small Grants program in collaboration with the Foundation for Rural and Regional Renewal

In 2010/11 the Gardiner Foundation delivered its ninth *Working in Dairying Communities* Small Grants Program, in collaboration with the Foundation for Rural and Regional Renewal (FRRR). The aim of this program is to help small Victorian dairying communities build their capacity to deal with local issues, and to enhance existing community infrastructure. To date the Gardiner Foundation has disbursed almost \$1.1 million through this program.

Terang Wetlands project – Stage 2 works

Terang Wetlands Committee

Terang Wetlands Committee has partnered with Terang College since 2008 to improve the area adjacent to the College's Strong Street campus and return it to its natural wetland state. The wetlands capture and naturally filter storm water run-off and act as habitat for native bird life and have become a natural community asset.

Terang College students are involved in the Wetlands Committee, along with local businesses, the Lions, and community volunteers. Students actively contribute to their community by monitoring and developing the wetlands, while developing creative and technical skills with Year 9 maths, science and humanities subjects focused around wetlands activities. These activities help students develop a positive "can do" attitude, a teamwork approach, pride in their local infrastructure, and a stronger sense of community.

Stage 1 works, supported by the Sidney Myer Foundation and Clifford Excavations, created two large filtration ponds planted with native trees and shrubs, and an amphitheatre-style "outdoor classroom" with bench seating. Stage 2 works are now being funded by the Gardiner Foundation, and include extending the wetland area with a shallow third pond designed for wader birds and frogs, and linking the wetlands path to the existing walking track around the nearby lake.

The legacy of this project is more than just the natural community asset – it is producing a new crop of skilled young leaders every year, who are active engaged with and proud of their local community.



Project Leader Sue Pollock with Year 9 students Rachael Farrell and Asha McDonald in the amphitheatre-style "outdoor classroom" at the Terang Wetlands project.

Project leader Sue Pollock, who teaches Year 9 at the Terang College, devised the wetlands project as a way to engage Year 9 students with a practical community project. Sue says: *"When we first had the idea for the wetlands project, we started looking for funding, but we didn't get anywhere until we connected with a community group. It's the community partnership that really makes it work."*

Asha McDonald described the plan for the new pond, which was designed by the students: *"We worked out which species of frogs we wanted to attract, and what plants they needed. Then we had to think about how many frogs there had to be to bring enough bird life to the area. We had to think about the whole ecosystem."*

New Projects 2011

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. In the 2011 funding round 5 new projects shared total funding of \$1.34 million.

| PROJECT ORGANISATION PARTNER ORGANISATION(S) | PROJECT LEADER | PROJECT TITLE |
|---|-----------------------|--|
| GippsDairy ➤ Department of Primary Industries Dr Alan Yen | Dr Danielle Auldist | <i>Cows, cockies and cockchafers: A systems approach to the cockchafer problem</i> |
| Department of Primary Industries Future Farming Systems Research | Dr Christopher Pettit | <i>FarmWeb 2.0: Web-based nutrient topic packages for the Victorian dairy industry</i> |
| Harris Park Group Pty Ltd ➤ Dairy Australia Limited Mr Mick Blake | Dr Pauline Brightling | <i>The Australian Mastitis and Milk Quality Steering Group</i> |
| Harris Park Group Pty Ltd ➤ Dairy Technical Services Mr Dean Baylis ➤ The University of Sydney Assoc.Prof. John House | Dr John Penry | <i>Addressing new mastitis research and extension needs in Australia</i> |
| CSIRO Food and Nutritional Sciences ➤ Department of Primary Industries Ellinbank Dr Martin Auldist ➤ The University of Sydney Assoc.Prof. John House | Dr Roderick Williams | <i>Back to the Farm: Understanding milk structure for better processing</i> |

New Projects 2011

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. In the 2011 funding round 12 new projects shared total funding of \$745.3k.

| PROJECT ORGANISATION PARTNER ORGANISATION(S) | PROJECT LEADER | PROJECT TITLE |
|--|---|--|
| DemoDAIRY Co-operative | Louise Sheba | <i>DemoDAIRY Training and Demonstration Facility project</i> |
| GippsDairy Inc Auspicing agency for the Young Dairy Development Program <ul style="list-style-type: none"> ➤ WestVic Dairy Mike Weise ➤ Murray Dairy Inc Sarah Parker | Dr Danielle Auldist/ Mr Bill Dullard | <i>Defining successful pathways in dairy</i> |
| Community Leadership Loddon Murray | Ms Julie Slater | <i>Building local leadership capacity in the dairy communities of the Loddon Murray Region</i> |
| WestVic Dairy Inc <ul style="list-style-type: none"> ➤ DemoDAIRY Cooperative Marni Barber ➤ Nullawarre & District Primary School Wes Allen | Mr Mike Weise | <i>kids@demoDAIRY</i> |
| The Goulburn Murray Community Leadership Program (Fairley Leadership) | Mr Paddy Turner | <i>Leadership training for the dairy sector in Northern Victoria</i> |
| Foodbank Australia Ltd <ul style="list-style-type: none"> ➤ Bega Cheese/Tatura Milk ➤ Fonterra Australia ➤ Lion Nathan National Foods ➤ Murray Goulburn Co-operative ➤ Parmalat Australia ➤ Warrnambool Cheese and Butter (company 1) ➤ (company 2) ➤ Department of Agriculture, Fisheries and Forestry | Mr Greg Warren | <i>Milk Collaborative Supply Program</i> |

| PROJECT ORGANISATION PARTNER ORGANISATION(S) | PROJECT LEADER | PROJECT TITLE |
|---|----------------|---|
| Dairy Industry Association of Australia (DIAA) <ul style="list-style-type: none"> ➤ SUBStitution Pty Ltd Anne Burgi ➤ Anne Chamberlain & Associates Pty Ltd Anne Chamberlain | Mr Doug Eddy | <i>Development of a Dairy Knowledge Capture System from experienced industry professionals</i> |
| Colac Otway Shire Council <ul style="list-style-type: none"> ➤ WestVic Dairy Inc Robyn Vale ➤ South West Local Learning and Employment Network Kerri Bauer ➤ Colac Secondary College Caitlin Sauro ➤ Westvic Staffing Solutions Greg Baker ➤ National Centre for Dairy Education Australia Heidi Knowles ➤ Gordon Institute of TAFE Margaret Anderson ➤ United Dairyfarmers of Victoria Delwyn Seebeck ➤ R J Hester, dairyfarmer Jack Hester ➤ Young Dairy Development Program Sophie Hester | Mike Barrow | <i>Dairy Innovation Careers Research Project</i> |
| WestVic Dairy Inc <ul style="list-style-type: none"> ➤ GippsDairy Inc Dr Danielle Auldist ➤ Murray Dairy Inc Sarah Parker | Mike Weise | <i>In CHARGE Farm Business Management/ Financial Literacy Program for farming women</i> |
| National Centre for Dairy Education Australia (NCDEA) <ul style="list-style-type: none"> ➤ Dairy Australia Limited John Weichert ➤ United Dairyfarmers of Victoria Chris Griffin | Peter Carkeek | <i>Gardiner Foundation/NCDEA Scholarships to support continuing learning within the Australian dairy industry</i> |
| Nuffield Australia | Jim Geltch | <i>Nuffield Farming Scholarship for a Victorian dairy farmer</i> |

| PROJECT ORGANISATION PARTNER ORGANISATION(S) | PROJECT LEADER | PROJECT TITLE |
|--|---|---|
| <p>Australian Dairy Farmers Limited</p> <ul style="list-style-type: none"> ➤ Victorian Farmers Federation/UDV Vin Delahunty ➤ NSW Farmers Association – Dairy Committee Angus Gidley Baird ➤ Queensland Dairyfarmers’ Association Adrian Peake ➤ South Australian Dairy Farmers Association Ken Lyons ➤ Tasmanian Farmers and Graziers Association – Dairy Council Sarah Gatenby ➤ Western Australian Farmers’ Federation – Dairy Council Verity Morgan Schmidt | <p>Natalie Collard Karen Armitage</p> | <p><i>Creating a stronger voice: Proposing a new structure for Australian Dairy Farmers Limited</i></p> |

New projects 2011

GF/FRRR Working in Dairying Communities Small Grants

Investing in the communities that support the dairy industry is critical to the sustainability of dairy farming in Victoria. In 2011 \$113,000 in grants of up to \$5,000 was awarded to 29 local organizations in small dairy communities. Half of the 2011 total funding was earmarked for communities recovering and rebuilding after the devastating summer floods. A community reception was held at Tatura Milk Industries, where successful 2011 grant recipients were awarded cheques and certificates, and participated in a practical project management skills workshop delivered by Our Community.

| PROJECT ORGANISATION | PROJECT CONTACT | PROJECT TITLE |
|--|--------------------|--|
| Arawata Community Hall Association Inc | Syd Whyte | <i>Enhancing community use by installing air conditioning</i> |
| Barham Koondrook Men's Shed Inc. | Christine Dartnell | <i>Connecting power to the new Men's Shed</i> |
| Boolarra Memorial Hall Inc | Roslyn Carstairs | <i>Boolarra Memorial Hall Acoustic Improvement</i> |
| Bostocks Creek CFA | Lance Robilliard | <i>Meeting room extension and furnishings</i> |
| Campaspe Valley Community Centre | Maureen Oliver | <i>Trestle tables for Community Centre</i> |
| Cobram District Children's Services | Liliana Novoa | <i>Increasing family involvement by providing adult sized chairs</i> |
| Cohuna Neighbourhood House – Men's Shed | Lorraine Learmonth | <i>Community Vegetable Garden – Men's Shed</i> |
| Dingee Pre-School Inc | Lynda Cartwright | <i>Dingee Pre-School Revitalization Project</i> |
| First Rochester Scout Group | Rebecca Holland | <i>Decking out the Leader's Dens</i> |
| Girgarre Memorial Hall | Sandra McDonald | <i>Airconditioners for Girgarre Community Annexe</i> |
| Kiewa Valley Community Radio Inc (Alpine Radio 96.5 FM) | Yvonne Sutton | <i>Purchase of generator (for emergency broadcasting in case of power failure)</i> |
| Leitchville Bowling Club | Trish O'Brien | <i>Replacement of urinal</i> |
| Macarthur Advancement & Development Association Inc | John Bragg | <i>Macarthur Recreational Vehicle Friendly Town – installing powered sites and dump site</i> |

| PROJECT ORGANISATION | PROJECT CONTACT | PROJECT TITLE |
|--|----------------------|--|
| Macarthur Fire Brigade | Andrew Hartwich | <i>Macarthur Fire Brigade ride-on mower project</i> |
| Maffra and District Landcare Network | Darren Williams | <i>Future Farmers – Future Leaders – supporting delivery of agricultural educational presentations at local schools</i> |
| Neerim District Health Service | Jacqui Brown | <i>Laundry Dumb Waiter System</i> |
| Numurkah Community Learning Centre | Debbie Fowler | <i>Shade sail for student area</i> |
| Nyora Men's Shed Inc | Bryan Finlay | <i>Building a Men's Shed for Nyora</i> |
| Orbost Cemetery Trust | Judith Balmer | <i>'Reflections' Sanctuary – creating a covered, sealed area for funeral services</i> |
| Panmure Football Netball Club | Rebecca Wickenton | <i>Clean up and restoration after flood</i> |
| Pound Creek Rural Fire Brigade | Peter Vanzuyden JP | <i>Purchase and installation of a commercial dishwasher for the Pound Creek Fire Station Kitchen, Ladies Auxiliary and general community</i> |
| RSL of Australia – Yarram Sub-Branch | Edward Tindale | <i>Yarram Plaza Community Noticeboard</i> |
| Salisbury West Landcare Group | Jean McClymont | <i>Farming for sustainable soils</i> |
| Serpentine Playgroup Inc | Natalie Rose | <i>Serpentine Playgroup Toy and Book Library</i> |
| Venus Bay Community Centre Inc | Alyson Skinner | <i>The Shed: Community Recycling Op Shop expansion program</i> |
| Welshpool and District Playgroup | Jillian Throckmorton | <i>Welshpool & District Playgroup – Equipped for ALL ages</i> |
| Yarram Agricultural Society | Vanessa Bennett | <i>On-farm Dairy Cow Challenge</i> |
| Yinnar & District Historical Society & Museum | Win Morrison | <i>Repairs to Heritage-listed Goods Shed</i> |
| Yinnar & District Lions Club | Herb Smith | <i>Relocating the Lions' Community Storage Shed</i> |

The funding process

The Foundation's funding programs are highly competitive and merit-based, with assessment processes designed to ensure only the highest quality, most relevant and timely projects are funded.

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

Applicants are requested to submit a compelling business case based on four selection criteria:

- What is the unique proposition being developed?
- What is the impact of the project at farm, factory, consumer or community level?
- A detailed project plan that demonstrates how 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.

The Foundation engages independent multi-skilled teams of industry leaders to independently, and then collectively, assess funding applications against each of the four selection criteria. The assessors' recommendations are endorsed by the Foundation's Board before an offer of funding is made.

The Gardiner Foundation directors and team are engaged in the boards and committees that identify priority issues and respond with investment in innovation across the dairy value chain.

The Foundation encourages applicants for funding to be aware of Dairy Australia's *Situation and Outlook Report*, available on www.dairyaustralia.com.au. Of particular value is Dairy Australia's description of the dairy value chain. This analysis gives applicants for Foundation funding a very sound understanding of where their proposed project makes an impact in that chain, and who the suppliers and customers may be when the project is commercialised.

Gardiner Foundation has built into its assessment processes checks to avoid overlap and duplication of funding to individual projects and ensures that project applications are aligned with industry priority issues.

Full details of application processes can be found in the Gardiner Foundation Funding Guidelines and Application Form to be made available in November 2011 on website www.gardinerfoundation.com.au.

The next funding round opens 1 February 2012

Enquiries should be directed to:

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