



GARDINER FOUNDATION

**Geoffrey Gardiner Dairy Foundation Limited**

**Statement of Strategic Intent**

**February 2010**

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## **Preamble**

### **Strategic Intent**

This Statement of Strategic Intent is presented with a 3 to 5 year time horizon in mind. It is robust from year to year and is visionary, conceptual and directional in nature. The Statement of Strategic Intent is designed to:

- Explain the Foundation's operations to others in order to inform, motivate & involve others;
- Serve as a framework for decisions or for securing support/approval;
- Provide the basis for more detailed planning;
- Assist benchmarking and performance measurement; and
- Stimulate change and become a building block for the next plan.

### **Annual operational plan**

An annual operating plan is also developed with a one year time horizon in mind and is shorter term, tactical, focused, implementable and measurable. The annual operating plan and budget are updated annually and approved by the Foundation's Board.

## **Overview**

### **1 Gardiner Foundation at a glance**

The Gardiner Foundation is an organisation that is deeply embedded in the Victorian dairy industry and uses its independent structure to invest in projects that have significant impact on that industry and the wider community.

The Victorian Dairy Act created the Foundation in 2000 with initial Member organisations including the Victorian Farmers Federation Property Trust Ltd on behalf of the United Dairyfarmers of Victoria Commodity Group of the VFF; Milk Processors Association of Victoria Inc, and Victorian Dairy Products Association Inc.

Headquartered in the Melbourne CBD the Foundation is structured as a company limited by guarantee led by a well-networked, multi-skilled Board of five 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. The Foundation is also delighted to have as its Patron the Governor of Victoria, Professor David de Kretser AC.

### **2 Contributing to Victoria's dairy industry**

Since beginning operations in 2000 the Foundation has invested in excess of \$30m in cash contributions to 440 projects. With partner co-funding this represents \$130m in new innovations 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 \$25m of new innovation.

Key investment streams include longer-term Capability Building and annual rounds of funding in Innovation and Community and People Development. Approximately half of the Foundation's investment directly impacts on-farm operations the other half directly impacts manufacturing, the science underpinning health claims and community development.

The Gardiner Foundation makes business decisions based on its vision and commitment to:

- Supporting projects that positively impact the dairy industry or dairying communities in Victoria.
- Being responsive to the changing needs of the industry.
- Aligning with the overall priorities of the industry, and working towards shared goals.
- Encouraging innovation and forward thinking ideas and projects.

### **3 How we make a difference**

The Foundation contributes to the Victorian dairy industry in a unique way because it:

- Has an independent structure that is agile and can respond to changing priority issues.
- Can invest in areas where other major funding bodies may be limited by their structure or funding guidelines.
- Can use mechanisms that leverage funding quickly and effectively.

- Is heavily focussed on delivering projects that directly impact the Victorian dairy industry at farm, factory, consumer or community levels.
- Is one of few industry organisations working across the complete dairy value chain and is a key investor in strengthening small dairy communities.

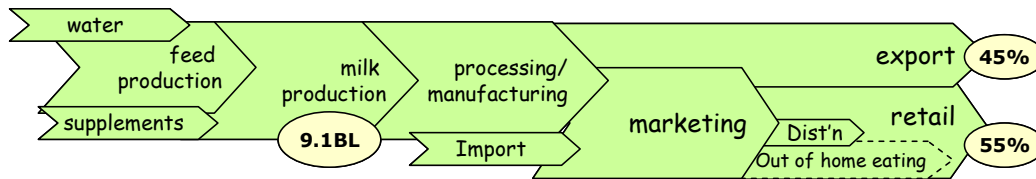
#### 4 Priority issues

Agriculture today faces challenges that require innovative thinking, good planning and a whole of industry approach. As such the Gardiner Foundation considers project applications in the context of the overall dairy environment.

Dairy Australia provides the Australian dairy industry with an annual Situation and Outlook Report. In periods of rapid change in the operating environment, for example changes in climatic conditions or market returns, Dairy Australia provides additional reports to a wide range of industry stakeholders.

The Foundation encourages applicants for funding to be aware of the latest Dairy Australia Situation and Outlook Reports and to ensure their proposed project is aligned with the industry's priority issues. Details of the latest Dairy Australia reports can be found at [www.dairyaustralia.com.au](http://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.



The use of Dairy Australia's Situation & Outlook Reports together with the fact that the Foundation's Directors and employees are deeply embedded in the Victorian dairy industry's processes for identifying and responding to priority issues ensures the Foundation's investment is aligned with those issues.

#### 5 Innovation in the Victorian dairy industry

The Foundation defines innovation as a two staged process, the “*research and development*” needed to create new science, processes or services AND “*commercialisation*” whereby that new science, process or service delivers impact at farm, factory, consumer or community level.

#### 6 Drivers for Gardiner Foundation funding

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

##### 6.1 Capability Building

The Foundation is committed to building the capability of the dairy industry to provide the capacity and resources the industry needs to succeed in an often volatile and rapidly changing environment.

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

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

- **\$2m invested in better pastures** (Molecular Plant Breeding CRC).
- **\$1m invested in enhanced feed conversion efficiency.**  
(Department of Primary Industries and Dairy Futures CRC)
- **\$1m invested to establish Dairy Innovation Australia Limited.**
- **\$5m invested to create a \$12.5m Dairy Health and Nutrition Consortium.**

## 6.2 Innovation

Ongoing innovation is critical to the future prosperity of the industry and, as such, supporting investment in this area is key to the Gardiner Foundation.

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

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

- **\$1m to extend the lactation of dairy cows.**  
(Department of Primary Industries)
- **\$1.5m to improve potable water utilization and reduce effluent in dairy processing.**  
(The University of Melbourne and Department of Primary Industries).
- **\$700k to cut production costs and improve functionality of milk powder.**  
(Dairy Innovation Australia Limited).
- **Other investments to use ultrasonics as a novel processing aid, the reduction of bio-films to extend production runs and development of methods which determine the provenance of milk powder.**  
(CSIRO Food and Nutritional Sciences)

## 6.3 Community & People Development

Investing in the people and communities that make up the dairy industry is critical to the sustainability of dairy farming in Victoria. The Gardiner Foundation is committed to strengthening dairy communities and providing opportunities for the development of capability and leadership skills in dairy people.

Demographic data shows the Australian workforce is shrinking for the first time in 60 years. An imperative for dairy is to ensure it competes with other sectors to “*attract, retain and develop*” talented people.

The same demographic data shows that of 100 000 people who work in the Australian dairy industry 60 000 live in, and contribute to small rural communities of less than 5000 people.

The Foundation has a proud track record of investing in Community and People Development. Recent investments include:

- **Pioneering Cows Create Careers project which provides Year 8 and 9 students with a first taste of dairy and now runs nationally.**  
(Lions Club of Strzelecki/Jaydee Events Pty Ltd)
- **Building the Young Dairy Development Program to a State-wide program with 1000 members.**  
(United Dairyfarmers of Victoria)
- **Building the Sustainable Dairy Farm Families initiative now operating as the National Centre for Farmer Health funded by the Victorian Government.**  
(Western District Health Service)
- **Developing a Volunteerism in Small Communities project now run across South Western Victoria.**  
(Community Connections (Vic) Ltd/South West Community Capacity Building Consortium)
- **Pioneering the DairySAGE Mentoring Program that now runs across Victorian and Queensland dairying areas.**  
(WestVic Dairy Inc)
- **Leadership Programs that have helped develop the next generation of dairy leaders.**  
(Alpine Valleys, Fairley and Gippsland Community Leadership Programs, Community Leadership Loddon Murray, and Nuffield Australia)

## **7 Gardiner Foundation funding processes**

The Foundation's funding programs are highly competitive, merit based programs with assessment processes designed to ensure only the highest quality projects are funded. The assessment process is undertaken by a multi-skilled team of senior industry leaders.

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

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

Applicants are encouraged to contact the Foundation with their proposed project concepts. The Foundation's Program Managers provide feedback and advice on how the draft application could be further developed. Most successful applications have received feedback three or four times in the development phase.

The Gardiner Foundation generally does not expect to be the sole funder of projects, and applicants are encouraged to contribute to project budgets and/or seek additional funds from other sources. In-kind contributions can be valued and included in the project budget.

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

To be eligible for funding the applicant must:

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

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

Foundation funding is not available for:

- Ongoing commercial activity.
- Purchase of land or building expenditure other than minor maintenance of community facilities.
- Remuneration and related costs of personnel not directly engaged in project activity.
- Formal education courses.
- Salary, overheads or other costs of government funded agencies (except where a fee for service is normally charged).
- Projects seeking funding of a recurrent nature.
- Welfare projects.

## **8 Project Applications & Assessment Process**

The Assessment Process is undertaken by a multi-skilled team of senior industry leaders. All assessors sign a Confidentiality Agreement with the Foundation. Assessors independently score each application against each of the four Selection Criteria. There is an equal rating on each criterion. Scores are returned and collated by Foundation staff. The Chief Executive of the Foundation then chairs a meeting of assessors. The objective of this meeting is to discuss outlying scores – where individual assessors have scored a particular criterion higher or lower than others. This process effectively ranks applications and ensures only the best projects are funded. If a conflict of interest arises the assessor will not take part in the assessment of that Application.

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

Closing Dates for Applications are final and no extension of time will be considered.

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

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

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