

# Dairy Australia

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# Independent Performance Review

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2017–2020



# Introduction

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It is important for both farmers and the Australian government that Dairy Australia is regularly and independently reviewed.

This summary report sets out the major findings of an independent review that was completed in January 2021 – the review period spans Dairy Australia’s performance 2017–2020. This review has been conducted by Anwen Lovett Consulting in association with Ancer Consulting Pty. Ltd. The outcomes of the review have been summarised in this report; a full report is also available on the Dairy Australia website.

This review was informed by significant industry feedback including over 100 interviews with farmer levy payers, industry bodies, processors, research providers, Federal and State Government. Dairy Australia’s Board, executive team and the eight Regional Development Programs were also interviewed. In addition, levy payers were able to share their views via an online survey.

## Highlights

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The overall finding of this independent review is very positive. Dairy Australia is an effective, outcomes focussed organisation with a strong service culture to the Australian dairy industry. It is managed by professional people who genuinely care about what they do. There is strong and appropriate governance and a healthy focus on continuous improvement of structures, systems and processes.

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### COMMUNITY TRUST

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Dairy Australia has adopted a major shift in its marketing approach underpinned by the Dairy Matters campaign, that has been successful in driving trust and support for the industry. Of credit is the engagement with farmers around this approach.

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### CRISIS RESPONSES

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Industry and government stakeholder feedback consistently identifies that Dairy Australia’s response to issues and crisis on behalf of the industry is excellent. A leading example is COVID-19 which raised complex issues for the industry to manage.

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### REGIONAL DEVELOPMENT PROGRAMS (RDPS)

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The eight Dairy Australia RDPs, are shining examples of de-centralised industry services and extension provision. Independent governance and operations enable RDPs to tailor services to regional and farmer needs.

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### LONGEVITY AND SECURITY OF RD&E INVESTMENT

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Dairy Australia's research, development and extension (RD&E) portfolio is dominated by a small number of large, long-term collaborative partnerships. These have achieved significant critical mass, contributed to the retention of research assets, infrastructure and talent, and allowed for transformational outcomes.

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### AUSTRALIAN DAIRY PLAN (ADP)

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Dairy Australia's contribution to the development of this whole of industry strategy, is seen as a positive demonstration of its commitment to the industry.

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### INTERNAL RESTRUCTURE AND REFORM OF SYSTEMS AND PROCESS

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Dairy Australia has embarked on an ambitious restructure and reform to modernise and enhance all dimensions of its operations. This has been delivered with confidence and commitment from management.

## Recommendations

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The independent review has made a number of recommendations in the spirit of continuous improvement to increase the efficiency and effectiveness of Dairy Australia in delivering value to dairy farmers.

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### DAIRY FARMER COMMUNICATIONS

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Dairy Australia makes significant effort to communicate with levy payers. This includes understanding individual needs. Communication should target both the engaged and those who are more critical of the services the organisation delivers.

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### COMMUNICATING THE BENEFIT OF RD&E PARTNERSHIPS

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Dairy Australia's major RD&E partnerships – such as DairyBio, Dairy Feedbase and DataGene are valuable assets for the dairy industry. Prioritisation and benefits are not well understood by farmers and the industry, and should be better communicated in the context of regions and production systems.

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### AUSTRALIAN DAIRY PLAN (ADP)

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Dairy Australia needs to ensure its support for ADP does not come at any cost to delivering its core business. Board and management should monitor this effort and draw on additional resourcing as required.

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## EXPECTATIONS ABOUT DAIRY INDUSTRY REFORM

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Achieving the ADP commitment for unity which includes advocacy and other services managed by a single entity could prove to be challenging. A sustained, consistent communication campaign around dairy industry reform is important for transparency to industry and to manage expectations. It needs to be clear that dairy industry reform is an industry initiative and not one of Dairy Australia alone.

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## REGIONAL DEVELOPMENT PROGRAMS

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There is the opportunity for RDPs to take on an enhanced role in two-way communication between Dairy Australia and RDPs about regional and national RD&E priorities. A more direct relationship between the RDPs and Dairy Australia executive should be adopted to strengthen this.

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## BALANCING THE RD&E PORTFOLIO

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Dairy Australia's new Strategic Plan should ensure its RD&E portfolio is appropriately balanced between long-term partnerships and stand-alone initiatives, to ensure there is sufficient investment flexibility for goals to be achieved.

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## BUSINESS SYSTEMS AND PROCESSES

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Continued focus on rationalising and optimising business systems and processes to enable the right balance of rigour and responsiveness. The volume of Board documentation should also be considered.

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## ANNUAL BASELINES AND TARGETS

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Consider how targets/measures in Dairy Australia's Annual Operating Plan can be used to create stronger linkages between performance as it relates to the five-year Strategic Plan outcomes. Baselines for all Key Performance Indicators should be published before June 2021.

# Final report and actions

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For the full Independent Performance Review report visit: [www.dairyaustralia.com.au/IPR](http://www.dairyaustralia.com.au/IPR)

Dairy Australia is required to develop a response to the review which will also be available on their website.