



DAIRY AUSTRALIA BOARD SKILLS MATRIX - 2021

Background

In line with the Dairy Australia Constitution, the Dairy Australia Board is responsible for pursuing the following objects of the company:

- (a) to promote the development of Australian dairy resources;
- (b) to contribute to the promotion and development of a profitable Australian dairy industry and the promotion and development of Australian dairy produce by:
 - (i) carrying out research, development and extension activities for the benefit of the Australian dairy industry and the Australian community generally; and
 - (ii) carrying out activities to develop the Australian national market for, and international trade in, Australian dairy produce; and
 - (iii) providing information and other services; and
 - (iv) carrying out other activities for the benefit of the Australian dairy industry; and
- (c) to act as industry services body for the purposes of the Dairy Produce Act.

To achieve this, the Board determines the policies and directions for investing in dairy industry service activities and approves strategic and operating plans and performance targets. The Board ensures that policies and systems are in place to manage risk and ensure high standards of accountability, ethical behaviour and legal compliance in accordance with government funding arrangements and the compliance framework within which Dairy Australia operates.

Skills Based Board

It is a requirement of Dairy Australia's funding agreement with the Commonwealth Government that Dairy Australia have a skills-based Board. The funding agreement specifies specific skills that must be satisfied and the board of directors which can demonstrate collective expertise against each of the following:

- (a) governance, risk and compliance;
- (b) finance, accounting and audit;
- (c) R&D, innovation, technology and technology transfer, commercialisation and adoption of R&D;
- (d) product promotion and marketing (including communications);
- (e) exports and export market development;
- (f) dairy industry knowledge, including practical production and/or processing experience; and
- (g) public policy and administration.

The requirement for a skills-based Board is also reflected in Dairy Australia's Constitution.

Dairy Australia's directors have varying backgrounds and are selected based on the skills and capabilities which are needed at Board level and to fulfil various roles on the Board and on its committees.

The Skills Matrix is updated yearly by the Board (in consultation with the Board Human Resources Committee) as the needs of the dairy industry and the organisation change. The Board also seeks to reflect the benefits of all aspects of diversity, including regional and geographic background, industry experience, research and development experience, farming systems, farm size, and race, gender and other diversity characteristics.

In accordance with rule 28(3) of the Dairy Australia Constitution, Dairy Australia must publish on its website a skill matrix:

- (i) outlining the skills and experience that, in the Board's view, the Board as a whole should possess and the milk producer skills that at least four directors should possess (Refer Appendix 1 below).
- (ii) assessing the extent to which the current Board has the skills and experience (Refer Appendix 1 below).
- (iii) outlining the specific skills and experience that the Board considers the directors to be nominated for that year by the Selection Committee should possess, in order to ensure the Board as a whole possesses the skills and experience required and the milk producer skills required taking into account the fact that certain directors are to retire (Appendix 2 below).

Board Skills Matrix

APPENDIX 1: SKILLS MATRIX & ASSESSMENT OF CURRENT BOARD SKILLS

Board skills and experience

SKILL #1: DAIRY INDUSTRY KNOWLEDGE	8 of 8 directors have proficiencies with this skill.
Sub-Skills:	Most common sub-skills: <ul style="list-style-type: none"> - People capability & careers - Industry structure and networks
Dairy processing and manufacturing	
Trade and world dairy markets	
Industry structure and networks	Least common sub-skills: <ul style="list-style-type: none"> - Dairy processing and manufacturing - Trade and world dairy markets - Environment / natural resource management
Environment / natural resource management	
People capability & careers	
Community trust	
SKILL #2: RESEARCH, DEVELOPMENT & ADOPTION	7 of 8 directors have proficiencies with this skill.
Sub-Skills:	Most common sub-skills: <ul style="list-style-type: none"> - Agricultural innovation and future farming - Extension and education - Management and evaluation of R&D
Agricultural innovation and future farming	
Management and evaluation of R&D	
IP management, technology and technology transfer	Least common sub-skills: <ul style="list-style-type: none"> - IP management, technology and technology transfer - Commercialisation of research
Commercialisation of research	
Extension and education	
SKILL #3: STRATEGY & CHANGE MANAGEMENT	8 of 8 directors have proficiencies with this skill.
Sub-Skills:	Most common sub-skill: <ul style="list-style-type: none"> - Strategic and operational planning
Strategic and operational planning	
Organisational / transformational change management	Least common sub-skill: <ul style="list-style-type: none"> - Organisational / transformational change management
SKILL #4: PRODUCT PROMOTION AND MARKETING	6 of 8 directors have proficiencies with this skill.
Sub-Skills:	Most common sub-skills: <ul style="list-style-type: none"> - Commercial sales and customer experience & management
International/export and domestic market access	
Commercial sales and customer experience & management	Least common sub-skills: <ul style="list-style-type: none"> - International/export and domestic market access
Product promotion and marketing	
SKILL #5: STAKEHOLDER ENGAGEMENT	7 of 8 directors have proficiencies with this skill.
Sub-Skills:	Most common sub-skill: <ul style="list-style-type: none"> - Management of engagement and communications with external stakeholders
Management of engagement and communications with external stakeholders including levy payers, Government, cross sectoral networks, etc.	

Public policy and regulatory environment: An understanding of Australian public policy and public policy making, and the process and drivers of governmental decision making.	including levy payers, Government, cross sectoral networks, etc. Least common sub-skill: - Public policy and regulatory environment
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SKILL #6: FINANCE AND GOVERNANCE	7 of 8 directors have proficiencies with this skill.
Sub-Skills:	Most common sub-skills:
Risk management – assess and balance risk and return	- Risk management – assess and balance risk and return
Financial knowledge - Experience in, or the ability to interpret and understand financial statements and essential quantitative information, including balance sheet, income & expenditure statements, and cash flow statements	- Compliance and governance
Audit (external and internal) experience	Least common sub-skills:
Compliance and governance	- Audit (external and internal) experience
Capital and investment markets exposure	- Capital and investment markets exposure

SKILL #7: HUMAN RESOURCES AND LEADERSHIP	8 of 8 directors have proficiencies with this skill.
Sub-Skills:	Most common sub-skills:
Succession planning	- Succession planning
Workplace Health and Safety	- Workplace Health and Safety
Diversity management	- Experience in leadership of an enterprise (or a large team within an enterprise) where that enterprise adheres to and demonstrates a values-based culture.
Performance management and senior executive remuneration	Least common sub-skills:
Experience in leadership of an enterprise (or a large team within an enterprise) where that enterprise adheres to and demonstrates a values-based culture.	- Performance management and senior executive remuneration
	- Diversity Management

Milk producer director skills

SKILL #8: FARM SYSTEMS/MILK PRODUCER SKILLS	6 of 8 directors have proficiencies with this skill.
Sub-Skills:	Most common sub-skills:
Farm business management, including drivers of profitability & productivity in diverse dairy farm systems	- Animal performance and welfare Industry
Animal performance and welfare	- Use of innovative technology on farm
Feedbase management	Least common sub-skills:
Use of innovative technology on farm	- Farm business management, including drivers of profitability & productivity in diverse dairy farm systems
	- Feedbase management

APPENDIX 2: Specific skills and experience which candidates to be elected at the 2021 AGM should possess

In accordance with the Dairy Australia Constitution:

- At the end of each AGM, a director (other than the Managing Director) who will, at the end of that AGM, have held that office for more than 3 years, ceases to be a director.
- At each AGM, at least one-third of the total number of directors other than the Managing Director must retire from office.
- A director cannot hold office after the conclusion of the AGM occurring in the year in which the person will have been a director for nine consecutive years.

In 2021, two directors are due to retire:

- Mr James Mann – Milk producer. Mr Mann is standing for re-election.
- Mr David Lord - Mr Lord is standing for re-election.

In addition, Mr Jeff Odgers has resigned from the Board in April 2021. The Board Selection Committee recommended the appointment of Mr Graeme Nicoll to fill the casual vacancy on the Board for a milk producer and will not stand for re-election. There will be therefore be three director vacancies in 2021.

Based on the above assessment of the skills possessed by the continuing board members (whose terms do not expire in 2021), the Board has determined that the incoming directors (which are to be elected at the 2021 AGM) should possess the following specific skills and experience as per the following position descriptions:

One Director with Dairy Supply Chain and Product Promotion skills

Dairy Australia operates a skill-based board and is looking for a Non-Executive Director with Dairy Supply Chain and Product Promotion skills.

Essential Experience and Skills

In addition to the general skills of governance and finance, this director should have the following essential skills and experience:

- Demonstrated ability in leading and managing dairy processing, manufacturing and/or fast-moving consumer goods (FMCG) operations at a significant scale, with a broad understanding of current and emerging dairy products, processing trends and issues.
- Experience in linking manufacturing operations to the whole supply chain. This will include an understanding of:
 - commercial, financial and profitability drivers across the chain, including milk pricing and supply.
 - dairy industry structure and networks.
 - trade and world dairy markets and international/export and domestic market access.
 - product promotion and marketing ideally including commercial sales and customer experience and management.
- A demonstrated understanding of the use and application of innovation is also essential. This includes:
 - Agricultural innovation/the use of innovative technology; and/or
 - Management and evaluation of R&D; and/or
 - Experience in implementing new technology at a commercial level.
- Experience in leadership of an enterprise (or a large team within an enterprise) where that enterprise adheres to and demonstrates a values-based culture.
- Understanding of the drivers in building community trust
- Experience in facilitating organisational change/transformation.

Personal Attributes

In addition to the essential skills and experience, Dairy Australia will be expecting Non-Executive Directors to demonstrate the following personal attributes:

- Passion and commitment to improving the profitability and sustainability of the Australian dairy industry.
- Preparedness to undertake dairy industry visits to understand the operating environment and engage with levy payers and regional management.
- Business acumen and professional demeanour.
- Ability to influence and to communicate/explain a point of view and consider alternative points of view.
- Meets the required standards of honesty, integrity and collaboration expected of all Dairy Australia Non-Executive Directors.

Desired Experience and Skills

The following skills will also be considered favourably:

- Experience in the management of performance and senior executive remuneration.
- Public policy and regulatory environment.
- Audit experience.
- Strong understanding and experience in natural resource management and sustainability.

Balance and Diversity

Dairy Australia recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, experience and backgrounds, including:

- regional and geographic background
- industry experience
- research and development experience
- farming systems
- farm size
- race, gender and other distinctions between Directors

These differences will be considered in determining the optimum composition of the Board and should be balanced appropriately so that the Board is reflective of the industry.

Two Directors with Milk Producer Skills

Dairy Australia operates a skill-based board and is looking for two Non-Executive Directors with milk producer skills.

Essential Experience and Skills

In addition to the general skills of governance and finance, the directors with milk producer skills are expected to demonstrate:

- Broad perspective and general business acumen developed through involvement in industry or representative bodies, including experience in board and governance roles. Prior experience in developing and approving strategic and operating plans and associated budgets.
- All facets of milk production/dairy farm systems particularly dairy processing, dairy industry structures and networks, understanding the impact of climate change on dairy farms, environment/natural resource management; and
- Dairy industry knowledge particularly feedbase management, farm business management, including drivers of profitability and productivity in diverse dairy farm systems and animal performance and welfare.
- Experience with research and development adoption, including innovative farming method adoption and change management to drive such adoption.
- Experience in engagement and communication with levy payers, dairy industry groups and broader agricultural networks.
- Understanding of the people challenges (including labour shortages) associated with dairy farm systems including competencies, career pathways, people management, ownership structures and health, safety and wellbeing issues.

Personal Attributes

In addition to the essential skills and experience, Dairy Australia will be expecting Non-Executive Directors to demonstrate the following personal attributes:

- Passion and commitment to improving the profitability and sustainability of the Australian dairy industry.
- Preparedness to undertake dairy industry visits to understand the operating environment and engage with levy payers and regional management.
- Business acumen and professional demeanour.
- Ability to influence and to communicate/explain a point of view and consider alternative points of view.
- Meets the required standards of honesty, integrity and collaboration expected of all Dairy Australia Non-Executive Directors.

Desirable skills and experience:

The following skills/experience will also be considered favourably:

- Trade and world dairy markets and/or international/export and domestic market access
- Product promotion and marketing
- Public policy and regulatory environment.
- Organisational/transformational change management.
- Building community trust

Suitable candidates will have a strong background and experience in all facets of milk production/dairy farm systems and demonstrated capability in identifying and evaluating technology and service programs to support the industry. Ideally, they will also have had relevant experience in representing the needs of dairy farmers and in governance / board roles.

Balance and Diversity

Dairy Australia recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, experience and backgrounds, including:

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- industry experience
- research and development experience
- farming systems
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