

MANAGING DIRECTOR'S ADDRESS

Speech by David Nation at Dairy Australia's AGM Friday 27 November 2020

We have seen the best of the Australian dairy industry this year. James Mann has rightly spoken about how so many parts of the industry lent their support during bushfires, and now we have seen the resilience of the industry on show, as milk continued to be produced and picked up, products made, and both domestic and export markets kept open.

There is a recovery underway across most parts of the country, with improved operating conditions and milk prices driven by relatively stable domestic and export markets. We are now almost at 12 months of consecutive gains in milk production. There is a cautious optimism from improved farm profitability, and the next 12 months to 2 years are critical, to provide a sufficient period for business recovery.

I'm going to focus on three topics today.

- How much we have achieved together with industry over the past 12 months
- Our plans that set out the next five-years of priorities
- Our focus and our pace of change to better work with you and be more responsive.

\$55.3 million dollars was invested in the year 2019/20 across 13 priority areas and activities that span research, development, and extension, marketing, trade and the sustainability framework. This is a diverse array of investments and areas for innovation and impact.

We have prepared two reports that provide a detailed view of these investments – our Annual Report and our Performance Report. Both are available on our new website and I recommend both reports to you as a good read and a great way to understand how your levies are used.

Here is a [short video](#) highlighting some of our key program achievements during the last financial year.

The Australian Dairy Plan gives us an opportunity to work closer with Australian Dairy Farmers, with the Gardiner Foundation, and with Australian Dairy Products Federation to address the major industry commitments.

We will face into the commitments required to increase profit in all parts of the supply chain, rebuild confidence from the lows experienced in 2019, and create a better working environment to address our major issues with a sense of unity and purpose.

Dairy Australia has responded in many ways to the formation of the Dairy Plan, and the strongest and clearest response has been in the creation of a new strategic plan. We have moved from a 3-year plan to a 5-year plan that lines up directly against to the Australian Dairy Plan.

We have changed our approach in the way we built the strategic plan – it focuses on clear statements of impact we need to achieve with our investment of levies and matching funds – and sets out targets that we can measure to demonstrate progress to you. It unashamedly has a range of stretch targets; that is how we push ourselves to drive home the advantages of having an organisation like Dairy Australia to support the dairy industry.

Our focus is being able to relate to you the difference we can make. These impacts are your impacts – the changes that are achieved for your farm businesses, for the markets that you operate in, for the customers and the wider community that place their trust in dairy. The plan is a device to reach out and speak to you about the role we want to play working with you.

Let me bring the strategic plan to life. I strongly encourage everyone on the call here today to take the chance to read the strategic plan with a single focus: What part of Dairy Australia's plan do I want to be a part of?

I'll pose the strategy to you as a series of questions that I want you to ask yourself...

Do I want to work with Dairy Australia so my business is more resilient?

Do I want to work with Dairy Australia to attract and develop great people for my business?

Do I want to work with Dairy Australia to speak out and ensure there is strong community support for dairy?

Do I want to work with Dairy Australia so I can thrive in a changing environment?

Do I want to work with Dairy Australia to drive greater success in our domestic and our export markets?

Do I want to make sure my farm is fit for the 21st century with a focus on technology and data?

And do I want to work with Dairy Australia and build a bridge between our businesses so that we are all more innovative and responsive?

I pose these questions deliberately – because our strategy is a five-year invitation to work together. We know that we will only reach these targets by working with you, and in turn, the impact we can create for your business is based on all our ability to work for the collective good of the industry.

Dairy Australia is on a path of rapid change and I want to give you a sense of how much this means.

At the heart of our business is our purpose and our values – and in the last 12 months we've focussed on renewing our values. The values you see on the screen give us a sense of pride and purpose, and push us to be better in ways we know are important – for example, to bring more innovative thinking to our approach, and be disciplined with decisive action.

We have also been busy with changing mechanisms of how we work at Dairy Australia and how we can better communicate our work. I trust that many of you have had a chance to look at our new website, built from the ground up to give a better experience of information relevant for your business. We are also building new digital platforms – for learning programs (called Enlight) for supporting you with your staff (called Dairy Passport), managing events, and a range of online tools to support your business.

Our internal systems are also changing, with a new approach to putting projects forward for investment, new finance systems and a new HR system. We've had to move quickly to support the new way of working remotely, firstly as forced by COVID, but now as part of regular business.

People continue to be at the heart of all that we do, and this year has tested the resilience of all Australians. I'd like to recognise the efforts of all staff in this time of uncertainty for many. Dairy Australia staff have committed to deliver important industry services, our research partners have sought ways to continue their work without usual access to their facilities, and our industry partners in Australia and abroad have worked together to ensure that any impacts on dairy trade have been minimised – it's been a huge commitment.

I would like to recognise and express my gratitude of all Directors for their active involvement in developing a new industry plan, a new strategy for Dairy Australia, a more responsive organisation, and an openness to participate in industry reform discussions. I've also valued your support for myself and staff through challenging times.

There has been a substantial time commitment for all Directors, who have willingly contributed their wisdom, critical questioning and support.

I'd like to make special mention of Jeff Odgers, who with his family has been through more this year than we will fully comprehend. We all as staff truly appreciate your energy and drive to build a better industry and would like to formally recognise and thank you for your role as Chair of Dairy Australia.

The response to all that has happened this year by the whole board, and in particular from James Mann taking on the role of Chair, demonstrates their deep commitment to Dairy Australia. James has been unflinching in his approach and has provided leadership and stability.

In closing, I strongly encourage each of you to do two things over the next six months.

The first is to engage with our new strategy and work out how you might benefit from being involved in all or any of Dairy Australia's priorities. We have lots of ways to be in contact – through our regional offices or a range of online, email and phone contacts.

The second is to take every opportunity to have a say on the future of the industry through reform of major organisations. We are all charting our way through some of the most important issues facing the industry.

This is an exciting time for Dairy Australia and the dairy industry, with favourable seasonal conditions in much of Australia and growing confidence in the industry outlook.

With an ambitious new strategy, motivated people, and a capacity to act collectively as an industry, we are focused on what matters most for you as farmers and to advance the Australian dairy industry.