



Dairy organisational reform

Australian Dairy Plan

The Australian Dairy Plan (ADP) has been developed to set a clear industry vision for the next five years and beyond. It brings together farmers, processors and other stakeholders from across the Australian dairy industry to set out in a single document, the roadmap to build a more profitable, confident and united industry. The final ADP is due to be launched in the second half of 2020.

The establishment of the ADP is an industry-driven initiative being developed by Australian Dairy Farmers, Australian Dairy Products Federation, Dairy Australia and the Gardiner Dairy Foundation. To define the priorities of the ADP, the industry came together in 2019 to voice its views through one of the largest consultation exercises ever undertaken by dairy. Over 1,500 farmers and other industry stakeholders from around the country participated.

The ADP identified five key commitments that would deliver the target of profit, confidence and unity. At the top of the list was reform of industry organisations, where the commitment stated:

Reform dairy industry structures and how we work together to create a more cohesive dairy industry and a more influential advocacy voice.

Whilst all five ADP commitments are now being addressed, the challenge to bring about reform is undeniably the most complex.

Organisational reform

A strong theme through the ADP consultation, was that the current system of industry representation is not fit for purpose and is financially constrained. This is supported by a clear desire from industry for change in organisational structures.

In response a group of dairy farmers (called the *Joint Transition Team* or JTT), was appointed to explore reform options. Their recommended model was the creation of a single, whole of industry national dairy organisation supporting industry services including policy, advocacy, research and development (R&D) and marketing.

While there is general industry support for this model, there are several key challenges subsequently identified through feedback and consultation. It was clear that further exploration, consultation and consideration around design of a new model was required, particularly in the areas of governance, advocacy and funding.

The ADP partner organisations have now established a process to consult with industry and develop a proposed new industry structure. It is based on a phased approach that engages industry around organisational design challenges and develops a new design for industry consultation and a vote on the recommended model. The new model will be determined in 2021. This time is needed due to the complexity and consultation required in determining the appropriate model of reform.

Process to reform

Industry partners are working towards organisational reform that will:

- Deliver a stronger and unified industry voice with an ability to represent diverse views through the supply chain.
- Ensure streamlined execution of whole-of-industry strategic priorities.
- Create a single point of contact for all industry services including advocacy, R&D and marketing.
- Deliver stronger industry funding with co-investment through a levy contribution by the whole of supply chain including farmers and processors.
- Drive greater reach and impact in marketing, health and nutrition work on behalf of the industry, trade and market access, commitment to sustainability.
- Ensure regional interests directly shape industry policy and advocacy.

Organisational reform phases

To achieve the reform destination, the team is working to the following phases and timeline:

Organisational reform phases	Date
1 Exploring reform (work of the Joint Transition Team)	2019
2 Establishing the pathway to reform	
3 Industry and government engagement on reform challenges	2020
4 Design of reform operating model options	
5 Industry consultation on reform model options	
6 Industry vote on reform model and final outcome determined	2021

Given the complexities of dairy organisational reform and the need to consider broad views of stakeholders across the supply chain, an Organisational Reform Steering Committee was formed to oversee this in a coordinated and structured way.

This committee* comprises two Directors from three of the Dairy Plan partner organisations – Australian Dairy Farmers, Australian Dairy Products Federation and Dairy Australia. The committee will guide the pathway to reform with appropriate consultation and a vote prior to recommending a model. Independence of this process will be key. To ensure this and draw on expertise outside of industry, Ernst & Young and former Meat & Livestock Australia Managing Director David Palmer will lead the coordination, engagement and design efforts.

For more information visit dairyreform.com.au or request to receive regular updates by email contact@dairyreform.com.au

*Members of the Organisational Reform Steering Committee:

- Terry Richardson, ADF (Chair)
- Bruce Donnison, ADF
- Grant Crothers, ADPF
- John Williams, ADPF
- James Mann, DA
- Jeff Odgers, DA

Supporting stakeholders of the committee:

- David Inall, ADF
- Janine Waller, ADPF
- David Nation, DA