

JTT Report Q&A

1. *What is the JTT and why was it commissioned to deliver a report?*

- The consistent view of participants in the Australian Dairy Plan (ADP) consultation phase was that reform of industry structures and advocacy arrangements is required.
- In response, a dedicated taskforce (JTT - Joint Transition Team) was established within the Australian Dairy Plan process in September 2019, to examine existing dairy industry organisational arrangements and recommend transformational change options to reform industry structures.
- The JTT reports to the Australian Dairy Plan (ADP) Committee comprising the Chairs of the four partner organisations (Australian Dairy Farmers, Australian Dairy Products Federation, Dairy Australia and Gardiner Dairy Foundation), and Independent Chair John Brumby.

2. *What is the membership of the JTT and how were these appointments made?*

- Appointments to the eight person strong JTT were based on experience in leadership, business, strategic transformation and the dairy supply chain.
- The ADP Committee considered nominations made at the National Workshop and also considered others who expressed interest in joining the JTT via the application process.
- The JTT comprises:
 - Shirley Harlock (Chair)
 - Adam Jenkins
 - Wes Judd
 - Greg McNamara
 - Bruce Donnison
 - Lauren Finger
 - Michele Lawrence
 - Malcolm Holm

3. *Does the JTT report have any official status?*

- The report prepared by the JTT report is a standalone document that has been prepared as part of the ADP process. It will now be considered and built upon by all parts of the dairy supply chain.
- The ADP Committee commends the work of the JTT and supports the vision and recommendations of the report.

4. *What are the next steps regarding the recommendations of the JTT report?*

- Australian Dairy Plan (ADP) Committee comprising the Chairs of the four partner organisations (Australian Dairy Farmers, Australian Dairy Products Federation, Dairy Australia and Gardiner Dairy Foundation), and Independent Chair John Brumby will oversee a consultation phase to build on the recommendations of the report, particularly to shape and refine governance arrangements.

- There will be a vote, ideally mid-year, to give all dairy businesses a say on the future structure
- The work of the JTT has concluded with the delivery of its report.
- The objective is for the new industry structure to be implemented by 1 July 2021.

5. *How can I provide feedback on the JTT report and get involved in the design of future industry structures?*

- The first priority is for dairy businesses to give their feedback to organisations they are members of (such as state farming organisations and Australian Dairy Farmers, or the Australian Dairy Products Federation) and/or organisations that deliver levy-based services (Dairy Australia and Regional Development Programs).
- Direct feedback to the Australian Dairy Plan Committee is also welcome and an email address is provided (contact@dairyplan.com.au)

6. *How will feedback on the JTT report be combined with the feedback process for the draft Australian Dairy Plan report?*

- The consultation and feedback process for the JTT report, and the further engagement and design activities, will be managed separately from the feedback provided for the draft Australian Dairy Plan report.
- The draft Australian Dairy Plan is open for feedback until 29 February 2020 and once finalised the plan is expected to be published by the end of March 2020. The plan will include a commitment to reform industry structures.
- The feedback process for the reform of industry structures will take longer, and will be used to develop a proposed new industry structure that will be put to a vote, ideally mid-year.

7. *Which organisations will be affected by the recommendations of the JTT report?*

- The recommendations set out by the JTT will impact Australian Dairy Farmers, state dairy farming organisations, Australian Dairy Products Federation, Dairy Australia and the eight Regional Development Programs.
- Recommendations may also affect other representative groups that agree with the report and seek to be involved in the reform process.
- Philanthropic organisations (such as the Gardiner Dairy Foundation) will not be directly affected.

8. *What is the opinion of the Australian Dairy Plan Committee to the findings of the JTT report?*

- The Australian Dairy Plan (ADP) Committee commends the JTT for working diligently and at pace since its creation in September last year, and supports the recommendations of the report.

- The proposed merging of national and regional dairy organisations into a single, whole of industry body would create a single line of sight and accountability. The proposed inclusion of strategic policy development as well as additional resources for advocacy within the new organisation would strengthen the ability of dairy businesses to directly shape the industry's future.
- The ADP Committee supports the JTT recommendation for a new, single, whole of industry national body (NewCo B), and recognises further consultation is needed to shape and refine a preferred model, particularly in relation to governance matters.

9. What impacts will there be for staff of affected organisations from the recommendations of the JTT report?

- There are no immediate impacts to staff and it is expected that all organisations will continue to perform important industry functions during the period of consultation for the proposed reforms.
- The JTT suggests that the process of further engagement and then implementation of agreed reforms would take 18 months.
- The objective is for the new industry structure to be implemented by 1 July 2021.

10. Will levy payers get a say on the JTT's recommendations?

- Yes. Feedback can be provided to your Regional Development Program or to Dairy Australia. Direct feedback to the Australian Dairy Plan Committee is also welcome and an email address is provided (contact@dairyplan.com.au)
- Dairy businesses will have the opportunity to vote on the preferred model for a new industry structure.

11. Will individual members of Australian Dairy Farmers and state dairy farming organisations get a say?

- Yes, feedback to state dairy farming organisations and Australian Dairy Farmers is encouraged. This will be important to refine and shape the preferred model for a new industry structure.
- Direct feedback to the Australian Dairy Plan Committee is also welcome and an email address is provided (contact@dairyplan.com.au)
- Dairy businesses will have the opportunity to vote on the preferred model for a new industry structure.

12. How will milk processors, marketers and traders get a say about investing in the new organisation?

- Feedback to Australian Dairy Products Federation (ADPF) is encouraged, particularly on the governance requirements of a new whole-of-industry model, advocacy and the mechanism to provide financial support.

- Direct feedback to the Australian Dairy Plan Committee is also welcome and an email address is provided (contact@dairyplan.com.au)
- A formal process to endorse a whole-of-industry model and its financial support will be undertaken, ideally mid-year.

13. Would the reform of industry structures continue without a financial contribution from processors, marketers and traders?

- Processors acknowledge the need to contribute financially to a new industry structure.
- It is highly desirable for farmers and the post-farmgate sector to invest together to create a true whole-of-industry service organisation.

14. How will regional groupings be chosen – they are proposed to be different to current state boundaries and regional boundaries?

- Regional groupings will be a key consideration when consulting, noting that nothing has been decided yet.
- This includes consideration of key regional differences that exist, particularly in delivering services to different regions and ensuring an effective voice for each region.
- The JTT Report does propose the regional grouping to be different to state boundaries or the current regional boundaries.

15. How would a broader base of members be encouraged, as described by the JTT recommendations?

- The first priority of the refining and shaping of the preferred model is to design an industry structure that meets the needs of dairy businesses across the supply chain that are producers, processors, marketers and traders.
- The design needs to encourage a wider membership and provide a genuine proposition for a broader prospective membership base.

16. Would these recommendations affect an ability to work effectively with the National Farmers Federation or state farming organisations?

- Sustaining effective working arrangements with the National Farmers Federation and state farming organisations will be a priority.

17. Why isn't the Gardiner Dairy Foundation part of the proposed new industry structure?

- The new industry structure focuses upon delivery of services from the direct contributions of farmers, processors, marketers and traders and the matching contribution of government funding. Gardiner Dairy Foundation is a philanthropic organisation, established by an Act of the Victorian Government.

- Gardiner Dairy Foundation's Members and the Victorian Minister for Agriculture require the organisation to retain a focus on the Victorian dairy industry.

18. If Gardiner Dairy Foundation is not involved in the new structure, how can it continue to have a role with the Australian Dairy Plan?

- Gardiner Dairy Foundation has an important ongoing role to invest and support the majority of the plan's commitments.
- Gardiner will continue to focus its investment in Victoria, and in doing so will often be part of a bigger effort to deliver on the commitments on a national scale.
- It is recognised that Gardiner will not have a substantive role in the first commitment.

19. Is the skills-based approach to governance supported as a principle of designing the new industry structure?

- Yes. Best practice in governance is a skills-based approach. This includes Directors with knowledge and experience in conducting business along the supply chain, such as dairy farming and milk processing.

20. How did the JTT come up with their recommendations? What information informed their thinking?

- The JTT was formed in late September 2019 with a brief to develop options and a recommendation for a new transformative structure for the national industry, that can exert influence and meet the modern needs of dairy businesses across the value chain.
- Membership was representative of the whole of the dairy industry, bringing experience and business skills in dairy production, processing and markets, governance, policy, advocacy, through to R&D and marketing. Its work was actively supported by an independent consultant.
- In addition to desk-top research, the JTT considered the outputs from the Australian Dairy Plan consultation process (including the regional workshops and National workshop), as well as the Australian Dairy Key Directions Statement (Oct 2019), plus individual submissions.
- Industry structures outside of the dairy industry were considered including other Australian agriculture sectors, political platforms and member-based organisations such as RACV.
- Three models were developed and tested against the design criteria, with a recommended model proposed.

21. How will the oversight of the next phase be done, and who will work to refine and shape the preferred model?

- The Australian Dairy Plan committee will continue to oversee the feedback process and the work to refine and shape the preferred model.
- External expertise will be appointed to support the committee.



- As with all components of the Australian Dairy Plan, funding is via the partner organisations.

22. What is the role of John Brumby in developing a new dairy industry structure?

- John Brumby will remain as the Independent Chair of the Australian Dairy Plan to ensure there is an independent chair role for receiving feedback on the proposed model, to champion the further development (or design) of a new industry structure, and to ensure there is an appropriate process for approving a preferred model.

23. How will we know what feedback is received during the consultation period for the JTT Report?

- The Australian Dairy Plan (ADP) Committee has committed to providing regular feedback on the consultation process. This will be via the ADP website.