

Terms of Reference – Organisational Reform Steering Committee

Date: 22 May 2020

1. Background:

An Engagement and Design Team has been appointed by the ADP Committee to undertake a project for the Australian dairy industry to progress the work undertaken by the Joint Transition Team (JTT). Following the establishment of an Organisational Reform Steering Committee (Steering Committee), responsibility for the Engagement and Design Team will be assumed by the Steering Committee.

2. Appointment of the Steering Committee:

The Steering Committee will be appointed by the Australian Dairy Plan Committee (the ADP Committee), which is comprised of the Chairs of four dairy industry organisations (Australian Dairy Farmers, Dairy Australia, Australian Dairy Products Federation and Gardiner Foundation) and with Hon John Brumby as the Independent Chair.

3. Membership:

Nominations of two directors from each peak industry organisation (Australian Dairy Farmers, Dairy Australia, and Australian Dairy Products Federation) will be provided to the ADP Committee.

The Steering Committee members will be appointed as representatives of their respective organisations, and, for the purposes of clarity, ADIC will not be a member. Members are expected to act in the interests of the dairy industry as a whole for the purposes of the Steering Committee.

The Steering Committee will elect a Chair at its first meeting.

4. Term:

The Steering Committee will continue to function until replaced by an Establishment Board of a new organisation, or until a decision is made to conclude the industry structural reform activities.

5. Authority of the Steering Committee:

Once formed, the Steering Committee will act as an autonomous body authorised by the relevant organisations to carry out its functions. Additional resources may be agreed by the Committee to complete its work and it may request organisation-level support from Dairy Australia, Australian Dairy Farmers and Australian Dairy Products Federation.

6. Purpose:

The purpose of the Steering Committee is to oversee the development of reform options, ensure strong industry engagement and an appropriate vote to create a reformed industry structure. A primary role of the Steering Committee is to provide governance to support the Engagement and Design Team. The Steering Committee will be responsible for monitoring the performance of the Team, accepting completion of tasks, and modifying specifications of any tasks undertaken.

7. Project Objectives:

The Steering Committee will build on the work of the JTT to collaboratively seek consensus to:

1. **Prepare an Operating Model for reformed industry structures**, including the development of model options and the consideration of what is required to achieve consolidation.
2. **Prepare a Detailed Organisational Design for reformed industry structures**, including the development of options for consideration at industry engagement events
3. **Prepare and execute a Stakeholder Engagement Plan**, including the development of options for consideration at industry engagement events
4. **Prepare a sustainable funding mechanism** for a reformed industry structure, considering current levy funding, possible additional levy funding, voluntary contributions, and may include the use of existing assets.
5. **Oversee the development and execution of an Industry Vote**, including the design and independent supervision of the vote, the information kit to be provided to voters, and the communications to support a vote with strong awareness and participation.
6. **Prepare a high-level Implementation Plan** that sets out implementation phases, timing and milestones
7. **Develop and implement industry communications**, with regular communication of progress to all stakeholders to maximise industry-wide awareness, engagement and to help generate support for change
8. **Develop a process for appointment or election of an Establishment Board** and transition all activities to new governance structure(s) in a timely manner
9. Be **dissolved** on the recommendation of the Establishment Board, or sooner if any event precludes the continuance of the Steering Committee.

8. Conduct of Meetings:

All decisions of the Steering Committee will be by consensus. If a consensus position cannot be reached, the Steering Committee will seek alternate means to facilitate a decision.

The Steering Committee will have observers in committee meetings that can support the decision-making process. This includes the Design Lead (from EY), the Engagement Lead (David Palmer) and CEOs of industry organisations may also attend some meetings.

9. Communication and Administration:

The Committee will be supported by a Secretary and draw on resources provided by Dairy Australia, Australian Dairy Farmers and Australian Dairy Products Federation. The Secretary will be contracted by Dairy Australia to fulfil this role.

The secretariat function will manage key operational matters (including organising meetings, preparing papers and minutes), liaising with the Engagement and Design Team, and managing regular communication to industry stakeholders. The Secretary will provide regular financial reports to the Steering Committee for the purpose of reporting to Member organisations.