

INDEPENDENT PERFORMANCE REVIEW

Response to findings – April 2021

Item / Theme	Recommendation	Dairy Australia Response
<p>1. Business Systems and Processes – Striking the Right Balance</p>	<p>The leadership team continue to monitor the development and implementation of company systems and processes with an eye to optimising the value-add that they provide through the right balance of rigour and responsiveness.</p>	<p>Dairy Australia accepts this recommendation.</p> <p>This need for balance is embraced in our organisation values and will be elevated as a priority issue for the Leadership Team. Staff will be actively encouraged to challenge processes that are too rigorous.</p> <p><i>The right balance will be monitored by:</i></p> <ul style="list-style-type: none"> • Internal audit • Staff survey questions • Quarterly Leadership Team meetings. <p><i>Reporting on the status of this action item will be included in the annual report.</i></p>
<p>2. Business Systems and Processes – Board Reading Material</p>	<p>The Board continue to work with management to reduce the amount of compulsory reading within the board meeting papers to ensure that the Board’s time is used to the greatest value to the organisation.</p>	<p>Dairy Australia supports this recommendation. A range of options are being explored to reducing compulsory reading material including:</p> <ul style="list-style-type: none"> • Greater use of management summaries. • Distribution of non-compulsory reading material outside of board meetings. • Review of Constitution and charters. • Training for staff writing Board papers. <p><i>The effectiveness of these initiatives will be assessed in the external board review to be completed by March 2022.</i></p>

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3. Australian Dairy Plan (ADP) – Focus on the Mandate	<p>The Dairy Australia Board and Managing Director monitor Dairy Australia’s continued engagement in the ADP to ensure it doesn’t create too great a distraction away from core business or is not creating excessive workloads for key personnel. Corraling the impact of the ADP on the organisation through specific responsibilities for it within the company structure would seem appropriate. Having a plan to manage the extra workload, potentially bringing in outside contractors to help with key tasks, may also be valuable.</p>	<p>Dairy Australia supports this recommendation and acknowledges the significant amount of Board and management resource effort to date to support the Australian Dairy Plan and in particular, industry reform. This area continues to receive priority attention of the Board and Leadership Team.</p> <p>Outside contractor(s) will be engaged to support the oversight and reporting requirements of the Australian Dairy Plan.</p> <p><i>Success will be measured by survey of the Leadership Team twice per year (status reported in the annual report).</i></p>
4. Australian Dairy Plan - Expectations about Industry Structures	<p>The expectations about the future of industry representation need to be proactively managed. A sustained, consistent communication campaign around Dairy Reform is important for transparency to industry and to manage expectations and needs to be delivered with strong spokespeople from relevant industry bodies. It needs to be clear to levy payers that this is an industry initiative and not one of Dairy Australia alone.</p>	<p>Dairy Australia supports this recommendation.</p> <p>Communication with farmers about industry representation is the responsibility of the President of Australian Dairy Farmers.</p> <p>Dairy Australia will consistently communicate that the reform of industry structures is an industry initiative, where Dairy Australia is working with Australian Dairy Farmers and Australian Dairy Products Federation and is not acting alone.</p> <p><i>Success will be measured by the majority of press articles accurately reporting Dairy Australia’s role in Industry Reform (status reported in the annual report as required).</i></p>
5. Dairy Farmer Communications – Seeking Continuous Improvement	<p>Dairy Australia continues to maintain a high level of attention and effort toward communicating effectively with dairy farmer levy payers. This includes understanding individual needs and motivations. Communication should not only satisfy those who support the work of Dairy Australia but should also seek to share information with those who are less engaged or who have expressed criticism.</p>	<p>Dairy Australia supports this recommendation and will:</p> <ul style="list-style-type: none"> • Continue to increase regional visits to increase farmer engagement opportunities (with COVID restrictions easing). • Reshape Dairy Australia’s regional service model to continually improve delivery on individual needs and preferences, through targeted engagement with levy payers. • Evolve our efforts in testing and validating initiatives with farmers to ensure we are meeting farmer needs. • Continue to be proactive and transparent in outlining Dairy Australia’s position on topics that matter/are of interest to dairy farmers i.e. through media, direct engagement with Dairy Australia stakeholders. <p><i>The effectiveness of these efforts will be measured by Dairy Australia’s Annual Performance Tracker Survey (status reported in the annual report).</i></p>

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6. Dairy Farmer Communications – Communicating Benefits of RD&E Partners	Dairy Australia to specifically target farmer communication to demonstrate the benefits of its major RD&E (research development and extension) investments in the context of specific regions and production systems. This needs to include an explanation by Dairy Australia about how regional RD&E priorities are being addressed.	Dairy Australia supports this recommendation and will: <ul style="list-style-type: none"> Continue to increase collaboration between project and regional teams to develop communications and engagement plans for major investments e.g. DairyBio, DataGene and Dairy Feedbase. Demonstrate how regional RD&E priorities are addressed including relevance to regions, production systems, short term and longer-term gains. <i>The effectiveness of these efforts will be measured by Dairy Australia's Annual Performance Tracker Survey (status will be reported in the annual report).</i>
7. Key Performance Indicator (KPI) Discipline – Annual Targets and Baselines	Dairy Australia consider how targets/ measures in the Annual Operating Plan (AOP) can be used to create stronger linkages between performance year on year with the five-year outcomes of the 2020 Strategic Plan.	Dairy Australia supports this recommendation and will: <ul style="list-style-type: none"> Establish a Quarterly Portfolio Review process in FY21 to enable review of progress made on strategic outcomes and associated success indicators. Publish targets along with success indicators as part of our AOP from FY22. <i>The effectiveness of these efforts will be measured by progress on the Dairy Australia Strategic Plan and inclusion of targets and measures in each annual report.</i>
	Dairy Australia ensure all KPI baselines under the 2020 Evaluation Framework are confirmed and published prior to the end of 2020/21.	Dairy Australia supports this recommendation and will measure baselines for our strategic success indicators through a refreshed annual survey. <i>These indicators will be available in June 2021.</i>

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8. Regional Development Programs (RDPs) – Realising the Opportunity	RDPs be enabled to take on a more formalised role in two-way communication between Dairy Australia and RDPs about regional RDE priorities and Dairy Australia RDE priorities.	Dairy Australia supports this recommendation and will: <ul style="list-style-type: none"> • Continue to embed RDP consultation in priority setting (AOP and strategic plans). • Foster alignment between Dairy Australia’s Strategic Plan and regional strategic plans. • Increase direct engagement between Dairy Australia Directors/Leadership Team and RDP Boards • Hold regional Board meetings and increase regional visits by Board and Leadership Team with COVID restrictions easing. Learnings and priorities from these visits to be tabled at monthly Board meetings. <i>The effectiveness of these efforts will be measured by a survey of RDP Boards and the Dairy Australia Board on a half yearly basis (status will be reported in the annual report).</i>
	A more direct relationship between the Dairy Australia RDP Manager and the Dairy Australia Managing Director should be adopted to strengthen RDP communication with the Dairy Australia executive.	Dairy Australia accepts this recommendation. The RDP Manager role has been evaluated and expanded to reflect the importance of regional services. The re-titled General Manager Regional Services role now reports directly to the Managing Director. <i>Action complete.</i>
9. RD&E Partnerships – Confirm Alignment and Value Proposition	In the context of the new Strategic Plan 2020, Dairy Australia should ensure its RD&E portfolio is appropriately balanced between its long-term RD&E partnerships and stand-alone funding to ensure there is sufficient investment flexibility for the goals of the plan to be achieved.	Dairy Australia supports this recommendation. There will be sufficient investment flexibility for all strategic priorities to include long-term RD&E partnerships as well as stand-alone funding. This will be considered as part of the quarterly review of strategic priorities and new projects coming through the Investment Review Panel. <i>The effectiveness of these efforts will be measured by progress on Dairy Australia Strategic Plan and reported in the Annual Performance Report (status will be reported in the annual report).</i>