



DAIRY AUSTRALIA EVALUATION FRAMEWORK 2020-2025

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INTRODUCTION

Dairy Australia first introduced an evaluation framework in December 2017 which brought in a structured mechanism for monitoring the performance of our investments. 2018/19 was the first year of implementing this evaluation framework which resulted in several improvements in the on-going monitoring of projects. At the end of 2018/19, Dairy Australia published its first Annual Performance Report which was based on this evaluation framework. The 2019/20 Annual Performance Report will be a continuation of this approach.

Starting 2020/21, Dairy Australia will enter a new phase with the launch of the 2020-2025 strategy. This strategic plan sets out our priorities and outcomes to guide investment over the next five years.

Our revised evaluation framework will strengthen our ability to monitor and evaluate the outcomes achieved as a result of our investments. This will incorporate learnings from the previous evaluation framework and enhance the following aspects:

- Alignment with our new portfolio structure to allow better strategic focus.
- Metrics that cascade to be able to monitor from each strategic priority down to individual projects.
- Metrics that matter, with a greater focus on outcomes and lesser focus on activities.
- Further transparency, including quarterly publication of our performance summary.

OBJECTIVE

The objective of the evaluation framework is to outline the approach that Dairy Australia will take in monitoring the performance of its investments from initiation to completion.

THIS EVALUATION FRAMEWORK WILL ALLOW DAIRY AUSTRALIA TO:

Apply a consistent methodology across the business.

Identify benefits and ensure investments are linked to the Dairy Australia strategic plan.

Provide the basis for clear and concise reporting for internal and external stakeholders.

Increase accountability and transparency across the project lifecycle.

Incorporate findings and observations into future project development.

OUR EVALUATION FRAMEWORK

There are three key components of our evaluation framework:

- 1 Measurement and reporting cycle**
 Defines how our metrics are identified through the strategic and annual planning process and how they get reported.
- 2 Structure of portfolios and projects**
 Defines the structure of our projects and portfolios in order to provide context for the metrics framework
- 3 Metrics framework**
 Defines the types of metrics that we measure, their frequencies and tracking mechanisms.



Structure of portfolios, programs and projects

For ease of execution and governance, each of our strategic priority becomes a portfolio. Each portfolio houses several projects that deliver value to our levy payers through a range of activities such as research, education and training, discussion groups, etc. In the future, we may choose to utilise an additional level of programs depending upon the complexity

of projects and our learning from the first year of executing our new strategy. Our portfolios are also designed to progress the strategy by creating a mapping of projects against the key strategic outcomes that we are targeting over five years. This ensures a constant alignment with strategy in everything that we do.



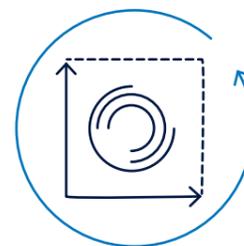
Measurement and reporting cycle

Our measurement and reporting cycle considers the critical cascade of targets and outcomes from our strategy to our Annual Operating Plan (AOP). This includes allocating targets to portfolios and projects. These are then measured and reported to management and the Board while also providing transparency to our levy payers through quarterly updates and our annual performance report.



Example portfolio structure

Portfolio 4 – Thrive in a changing environment			
Projects	Greater ability to adapt to changes in the natural environment	Efficient and profitable use of land, water, carbon and energy resources which nurtures and sustains the natural environment	Proactive action to reduce global warming and greenhouse gas emissions
P1	✓		✓
P2		✓	✓
P3	✓	✓	
P4	✓		✓
P5		✓	✓



Metrics framework

Our metrics framework provides the basis for the organisation to track key success indicators across the range of projects and activities undertaken by Dairy Australia. Under this revised evaluation framework, there is also the provision to measure strategic portfolio level metrics to enable better alignment with our strategic outcomes.

MEASURING IMPACT

Metrics framework

	Portfolio metrics	Project metrics
Objective	• Strategic monitoring of portfolio level objectives	• Tracking outcomes at the projects and activity level across three phases - development, monitoring and completion
Type of metrics	• Outcomes	• Outcomes and outputs
Frequency	Define	• Five-yearly as part of the strategy • Reviewed and refined as needed
	Monitor	• Quarterly • Based on availability
	Report	• Quarterly (Dairy Australia Management and Board, Group B members) • Annual (external publication)
Tracking mechanisms	• Annual Performance Tracking Survey • Annual strategic review • Quarterly portfolio review	• Independent project evaluations (three per year) • Internal pre and post project completion impact analysis • Project completion reports

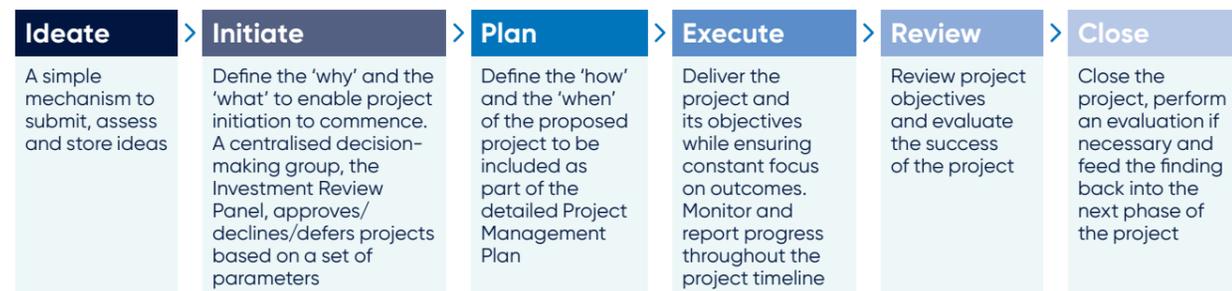
Portfolio metrics

These metrics have been defined as part of Dairy Australia's five-year strategy and would be reviewed at regular intervals to ensure they continue to remain relevant. These are the headline metrics that define the strategic direction and the key target outcomes over the next five-years. These metrics are monitored quarterly as part of our new Quarterly Portfolio Governance framework.

Project metrics

Project Metrics are the metrics defined at the granular level of projects. Our projects are governed through a products and services lifecycle which provides a framework that guides how we can take an idea through to a fully delivered and evaluated project.

Product and services lifecycle



Dairy Australia's impact pathway is based upon a program logic model that identifies the intended outcomes, articulates a rationale for investments, and provides a line-of-sight through logically linked components.

Direct influence			Indirect influence		
Inputs >	Activities >	Outputs >	Short-term > outcomes	Long-term > outcomes	Impact
Investments and resources used to set up projects, activities and services that deliver benefits to levy payers in the form of outputs, outcomes and impacts	Set of initiatives, steps taken and actions performed in order to achieve the desired outcomes and meet stated objectives	Products and services, training, and extension delivered as a result of activities	Intent to adopt learnings, increase in awareness, improved knowledge of products and services	Change in behaviour, adoption of best practices or any improvements as a result of the outputs generated from the project	The long-term benefits to levy payers and industry improvements

Inputs

Investments at Dairy Australia are governed through a newly set up Investment Review Panel comprised of senior management which is responsible for:

- Reviewing project initiation requests and approving/declining/deferring based on alignment with strategic priorities and the ability to deliver outcomes
- Reviewing expected benefits and risks
- Assessing investment against projects
- Overseeing review of projects and approving their closure
- Reviewing Dairy Australia resource and skills requirements.

Activities

Project leaders are empowered to conduct project related activities in-line with the approved project plan and stated objectives. There is on-going monitoring of activities and outputs/outcomes generated as a result of these.

Outputs

Our new portfolio structure enables improved focus on the strategic direction. This is enabled by a new Quarterly Portfolio Governance approach which focusses on the following:

- Review portfolio metrics
- Review key project metrics
- Review portfolio risks and issues
- Identify and allocate remediation actions.

Outcomes and Impact

Our short-term outcomes are assessed through a combination of stakeholder surveys, project completion reports and on-going tracking of our portfolios. These are reported as part of our quarterly performance tracking and also in our Annual Performance Report.

Long-term outcomes and impact are measured through ex-post (after completion) evaluations of a cross-section of projects led by Dairy Australia.

Each year Dairy Australia commissions independent economists to review a cross section of projects. These projects are reviewed based on the Council of Rural Research and Development Corporations (CRRDC) guidelines. This includes a review of project approach and methodology, evaluation of program logic, calculation of benefit-cost-ratio and recommendations that help improve future projects.

Our annual farmer surveys (National Dairy Farmer Survey and Performance Tracking Survey) provide further insights into the outcomes that Dairy Australia is achieving for the industry.

REPORTING

Dairy Australia will report project and portfolio progress through a variety of means which enable internal stakeholders to ensure alignment with strategy as well as provide external stakeholders with transparency and visibility.

Report	Description	Stakeholders	Frequency
Annual Performance Report	Provide detailed information on Dairy Australia's range of initiatives and investments on behalf of levy payers	Available to all stakeholders including government, Group B members (Australian Dairy Farmers and Australian Dairy Products Federation), levy payers, etc., Department of Agriculture, Water and the Environment (DAWE)	Annual
Quarterly Performance Reports	Track the progress of our projects, highlight key accomplishments, financial progress, identify risks and issues with a mitigation plan	Dairy Australia Board and Management Group B members Department of Agriculture, Water and the Environment (DAWE)	Quarterly
Ex-post evaluations	Three independent or peer-reviewed evaluations of a cross-section of Dairy Australia's projects	Dairy Australia Board and Management Summary available publicly as part of Annual Performance Report	Annual
Project status reports	For the large investments and critical projects, specific project progress reports tracking milestones	Dairy Australia Board and Management	On-going

OUR FIVE-YEAR STRATEGIC SUCCESS INDICATORS

Strategic outcome	Success indicator	Unit	Baseline 2020/21	Target 2024/25
1 More resilient farm businesses				
a Business planning that leads to better decisions and sustained success	Dairy farm businesses perform systematic, periodic business reviews at least annually	% of farms	10%	50%
	Dairy farm businesses make key decisions using a documented business plan	% of farms	12%	80%
b Clear and understood drivers of dairy farm profitability and productivity	Farm decision makers can accurately state the profit metrics for their farm	% of farms	TBD	60%
	Farm decision makers can accurately state the productivity drivers for their farm	% of farms	TBD	60%
c Expanded range of risk management tools for price and cost volatility	Farm businesses are actively using risk management tools to manage exposure to price and cost volatility	% of farms	TBD	40%
	Farm owners and managers have maintained their margins by using risk management tools	% of farms using risk management tools	TBD	90%
	Farm owners and managers' specific business needs are met through the range of risk management tools available	% of farms using or considered using risk management tools	TBD	80%
d Innovation in finance that increases access to capital for expansion and new entrants	Farm owners and managers have the opportunity to access capital to meet their requirements	% of farms that have tried to access capital for entry or expansion	TBD	80%
	A new mechanism is developed, supported and commercially available that recognises dairy specifically and allows access to capital for expansion and new entry into dairy farming	New from baseline	0	1



Strategic outcome	Success indicator	Unit	Baseline 2020/21	Target 2024/25
2 Attract and develop great people for dairy				
a Greater awareness of Australian dairy as an attractive industry with rewarding careers	Dairy farm employers and employees can describe why dairy is rewarding to work in	% of employers % of employees	N/A	75%
	All dairy farm workers implement good safety practices	% of employees	TBD	85%
b Clear and supported development and career pathways	Employees have clear, logical and supported development pathways in dairy	% of employees	TBD	70%
	Employers have clear, logical and supported development pathways for themselves and their employees	% of employers	TBD	70%
c Access to capable and skilled farm employees and service providers	Dairy farm businesses agree they have sufficient access to skilled service providers to meet their needs	% of farms	TBD	85%
	Employers report that the time taken to find a new employee was less than three months	% of employers that employed someone in the last 12 months	TBD	70%
	Employers were able find an employee with the right capability for the role in the last 12 months	% of employers	TBD	80%
d Support farm businesses and their service providers to get the basics right	Farm businesses and their employees have access to the information and tools they need to get the fundamentals right on farm	% of farms	TBD	90%
3 Strong community support for dairy				
a The Australian dairy industry is trusted and accepted by the community	Consumers trust the dairy industry	% of consumers	75%	79%
	Farmers that actively promote the industry	% of farmers	TBD	60%
	Consumers prefer to buy Australian made or locally produced dairy products wherever possible	% of consumers	81%	85%
	Consumers agree dairy farmers do a good job caring for the environment	% of consumers	TBD	75%
b Australian dairy is valued for superior health and nutrition benefits	The Sustainability Framework is recognised, supported and trusted by community representatives	% of community representatives on the consultative forum	70%	80%
	Consumers trust dairy as a wholesome and healthy food	% of consumers	83%	87%
	Consumers hear positive health messages about dairy foods from health professionals	% of consumers	86%	86%
c The Australian dairy industry is trusted for its commitment to animal wellbeing	Consumers make an effort to consume dairy every day	% of consumers	49%	55%
	The community believes the dairy industry meets their expectations in doing the right thing	% of consumers	73%	77%
	Consumers agree that dairy farmers do a good job caring for their animals	% of consumers	74%	80%

Strategic outcome	Success indicator	Unit	Baseline 2020/21	Target 2024/25
4 Thrive in a changing environment				
a Greater ability to adapt to changes in the environment	Farmers have access to enough information to understand the likelihood and impacts of changes in the environment	% of farmers	TBD	90%
	Farmers have the right information and skills to thrive in increasingly volatile climatic conditions	% of farmers	TBD	75%
b Efficient and profitable use of land, water, carbon and energy resources which nurtures and sustains the natural environment	Dairy farm businesses have adopted at least three new technologies and management practices to achieve land, water, carbon and energy efficiency	% of farms	TBD	70%
c Proactive action to reduce global warming and greenhouse gas emissions	Dairy farm businesses generating renewable energy	% of farms	71%	85%
	Dairy farm businesses have access to and have adopted three commercial solutions for reducing on farm emissions	% of farms	TBD	40%
	Dairy farm businesses understand their carbon footprint	% of farms	TBD	30%
5 Success in domestic and overseas markets				
a Australian dairy is valued around the world for its premium products	Australian dairy products are nominated as preferred status by customers in the key markets of Japan, Greater China and Southeast Asia	% of surveyed customers: • Japan • Greater China • SE Asia	TBD	70% 60% 60%
	Australian dairy makes tangible market access gains in all completed trade negotiations involving Australia	New from baseline	0	All
b A favourable policy and regulatory environment	Industry and government stakeholders value work of Dairy Australia to inform policy discussions and help ensure access to markets	Average response of stakeholders Average response of exporters	TBD	8/10 8/10
	Dairy Australia is considered by industry stakeholders as the most trusted and credible source of information to inform decisions related to dairy markets	Average response of stakeholders	TBD	8/10
c Access to trusted market insights that inform decision-making	Dairy Australia's market information is widely utilised by industry and government stakeholders	% of stakeholders utilising Dairy Australia market analysis or data	TBD	70%
	Dairy Australia is considered as the most trusted and credible source of dairy market information by the media	% of dairy market related media articles referencing Dairy Australia analysis or data	TBD	70%
	Dairy Australia maintains and grows its access to industry data to inform market analysis.	% of milk production % of domestic market sales (liquid milk, cheese, butter and yoghurt) % of manufacturing production data	TBD	95% 90% 90%

Strategic outcome	Success indicator	Unit	Baseline 2020/21	Target 2024/25
4 Thrive in a changing environment				
a Greater ability to adapt to changes in the environment	Farmers have access to enough information to understand the likelihood and impacts of changes in the environment	% of farmers	TBD	90%
	Farmers have the right information and skills to thrive in increasingly volatile climatic conditions	% of farmers	TBD	75%
b Efficient and profitable use of land, water, carbon and energy resources which nurtures and sustains the natural environment	Dairy farm businesses have adopted at least three new technologies and management practices to achieve land, water, carbon and energy efficiency	% of farms	TBD	70%
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	Dairy farm businesses understand their carbon footprint	% of farms	TBD	30%
5 Success in domestic and overseas markets				
a Australian dairy is valued around the world for its premium products	Australian dairy products are nominated as preferred status by customers in the key markets of Japan, Greater China and Southeast Asia	% of surveyed customers: • Japan • Greater China • SE Asia	TBD	70% 60% 60%
	Australian dairy makes tangible market access gains in all completed trade negotiations involving Australia	New from baseline	0	All
b A favourable policy and regulatory environment	Industry and government stakeholders value work of Dairy Australia to inform policy discussions and help ensure access to markets	Average response of stakeholders	TBD	8/10
		Average response of exporters		8/10
c Access to trusted market insights that inform decision-making	Dairy Australia is considered by industry stakeholders as the most trusted and credible source of information to inform decisions related to dairy markets	Average response of stakeholders	TBD	8/10
	Dairy Australia's market information is widely utilised by industry and government stakeholders	% of stakeholders utilising Dairy Australia market analysis or data	TBD	70%
	Dairy Australia is considered as the most trusted and credible source of dairy market information by the media	% of dairy market related media articles referencing Dairy Australia analysis or data	TBD	70%
	Dairy Australia maintains and grows its access to industry data to inform market analysis.	% of milk production % of domestic market sales (liquid milk, cheese, butter and yoghurt) % of manufacturing production data	TBD	95% 90% 90%

Strategic outcome	Success indicator	Unit	Baseline 2020/21	Target 2024/25
6 Technology and data-enabled dairy farms				
a Accelerated genetic progress in feedbase and animal breeding	Annual genetic gain in pasture species used by dairy farms	% Genetic gain	<1%	>2%
	The rate of genetic gain for sires of cows in BPI units	Annual increase of BPI	\$24/year	\$30/year
	The rate of genetic gain of cows in BPI units as a result of heifer genomic testing	Annual increase of BPI	\$18/year	\$25/year
b More flexible and agile dairy production systems	Development of new feedbase options that increase flexibility and agility	New from baseline	0	20
	Development of new non-feedbase system options that increase flexibility and agility	New from baseline	0	10
	Dairy farm businesses have access to the information and tools that they need to run their chosen farm system	% of farms	TBD	75%
c Greater use of high-value technology on farm	Farm businesses have successfully adopted technology that provides new insights for farm operations	% of farm businesses	TBD	80%
d Connected dairy production systems utilising multiple data sources to enhance decision-making	New methods of collecting or analysing multiple sources of physical data on farm	New from baseline	0	5
	Dairy farm businesses are routinely collecting three or more sources of physical performance data for decision making (e.g. herd testing, pasture measurement, lameness scoring)	% of farms	TBD	80%
	Routine management decisions of dairy farm businesses (e.g. sire selection, irrigation scheduling, culling) are informed by multiple data sources	% of farms	TBD	80%

Strategic outcome	Success indicator	Unit	Baseline 2020/21	Target 2024/25
7 Innovative and responsive organisation				
a We have an enhanced farmer-focused service delivery model	Improved interactions with farmers to deliver services	Episode Net Promoter Score (i.e. measured at time of service interaction)	TBD	TBD
	Farmer-focused service delivery model embedded across all our projects, services, infrastructure, communications and processes	% embedded in projects, services, infrastructure, comms and processes	10%	100%
	Farm businesses feel Dairy Australia has an effective relationship management and service delivery model	Average levy payer response	TBD	8/10
b Our culture of learning and innovation, values and ways of working deliver success	Employee engagement score increases	Employee survey score	63%	80%
	Dairy Australia values are known and well understood	% of employees	TBD	90%
	Farm businesses value Dairy Australia for our ability to be innovative	Average levy payer response	TBD	8/10
c Our infrastructure, resources and processes allow us to be informed, agile and responsive	Dairy Australia's employees have the right tools and infrastructure to deliver the best service to levy payers	Average employee response	TBD	8/10
	Dairy Australia processes allow for agility and responsiveness	Average employee response	TBD	7/10
	Dairy Australia is responsive to major industry events impacting the industry	Average levy payer response	TBD	8/10
	Dairy Australia is decisive and effective in its actions	Average employee response	TBD	8/10
d We have effective and transparent management of resources	Levy payers are satisfied they are well-informed about how Dairy Australia invests levy	Average levy payer response	TBD	8/10
	Levy payers are satisfied that Dairy Australia is investing levies appropriately	Average levy payer response	TBD	8/10
	Dairy Australia's investments align with the strategic plan and deliver value to levy payers	Average levy payer response	TBD	8/10

Disclaimer

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