



# Executive summary of the Independent Review of Performance: Dairy Australia

**Performance Review 2021 - 2025**

20 January 2025

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## **Inherent limitations**

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# Executive summary

## Background

Dairy Australia is the industry-owned national services body for the dairy industry, funded through the Dairy Service Levy and matching contributions from the Commonwealth Government (the Commonwealth) for research and development activities. It invests in pre- and post-farmgate research, development, extension, and industry services to deliver outcomes for dairy farmers, the broader industry, and the community.

Under the Statutory Funding Agreement (SFA) 2025–2034 between Dairy Australia and the Commonwealth, Dairy Australia is required to commission an independent performance review upon request by the Commonwealth. This review covers the financial year period 2021–2025 and has been commissioned by Dairy Australia and undertaken by KPMG.

This review builds on the findings of the previous Independent Performance Review (2020-21) ('the 2021 review'), delivered by Anwen Lovett Consulting. The 2021 review provided a series of recommendations to improve Dairy Australia's governance, communication, and investment practices. Review of the extent to which these recommendations have been implemented and the effectiveness of changes made forms part of the current review Terms of Reference.

## Review approach

The approach to undertaking the review is summarised below:

Figure 1 Approach to the Independent Review of Performance for Dairy Australia

### 1. Development of the review framework

A structured framework was developed to outline assessment criteria and guide the analysis, framing both the Interim Findings and Final Report

### 3. Consultation with Dairy Australia

Discussions were conducted with Dairy Australia staff to validate initial findings, provide operational insights, and shape the focus for external consultation

### 5. Review findings and recommendations

Insights and evidence were synthesised into this Final Report, providing both a summary of findings and prioritised recommendations



### 2. Document review

A broad range of documents and data provided by Dairy Australia were analysed to identify themes, gaps, and areas for further exploration

### 4. Industry consultation and survey

Consultations with key external stakeholders and a survey of Group A Members provided further evaluation of Dairy Australia's performance across focus areas

Source: KPMG

## Review limitations

It is important to note a number of limitations regarding the scope and approach to undertaking the review. Specifically, it is important to note that the scope of the review excluded the following:

- a detailed assessment of specific internal processes and procedures; and
- an evaluation of individual program outcomes or impacts

In addition, there were a number of limitations in the approach to undertaking the review, namely:

- While efforts were made to ensure broad engagement with stakeholders, the extent of participation was dependent on stakeholder availability and responsiveness during the review period. The views of the stakeholders engaged may not be representative of the broader group of stakeholders and may include a degree of bias, influenced by individual priorities and perspectives. The report relies on the accuracy and completeness of information provided by stakeholders, and there may be discrepancies between reported and actual practice.

- A survey was distributed to Group A members to provide an opportunity to share their views. While the response rate may not fully represent the perspectives of all stakeholders, the survey served as a valuable mechanism for obtaining diverse input and ensuring that a broad range of stakeholders had the opportunity to contribute meaningfully to the review process.

## Findings

The key findings of the review are summarised below, grouped into five review focus areas which served as overarching themes:

Focus area	Finding
<b>Strategic performance</b>	1.1: Dairy Australia has displayed mixed performance across the strategic priorities of the Strategic Plan (2020-2025)
	1.2: External stakeholders suggest that Dairy Australia's current base of activities is broader than the scope expected by industry
	1.3: External stakeholders held mixed opinions on the extent to which the Strategic Plan 2020-2025 aligned to priorities of farmers, processors, and regions
	1.4: External stakeholders are highly optimistic for the future of Dairy Australia under the incoming Strategic Plan 2030
<b>Engagement, consultation and communication</b>	2.1 Engagement with levy payers and stakeholders has improved but remains inconsistent across regions and functions
	2.2: Levy payers are unclear about the scope and role of Dairy Australia in regional engagement, particularly related to the RDP Evolution pilot
	2.3: Consultation for the Strategic Plan 2030 was comprehensive, but feedback highlights areas for improvement
	2.4: Consultation processes demonstrate positive intent but require clearer feedback loops to show how stakeholder input influences decisions
	2.5: Dairy Australia has improved levy payer communication, but resource accessibility and demand for quality over quantity remain areas for improvement
<b>Investment decisions</b>	3.1: Dairy Australia's investment into RD&E activities have advanced sector knowledge but lack clear communication of outcomes to stakeholders
	3.2: Key external stakeholders have a perception that Dairy Australia's portfolio is heavily weighted toward long-term, strategic investments, with limited attention to balanced, short-term 'quick wins'
	3.3: Stakeholders identified opportunities to improve on-farm productivity and profitability by translating research into practical, on-farm applications
	3.4: Stakeholders held mixed opinions on the extent to which Dairy Australia's investment and research is aligned to specific regional needs and priorities
	3.5: The adoption of economic evaluation frameworks strengthens Dairy Australia's ability to assess investment benefits but presents opportunities for refinement
<b>Cross-industry and cross-sector collaboration</b>	4.1: Dairy Australia has participated in a number of cross-industry and cross sector collaborations
	4.2: Cross-sector collaboration has delivered measurable benefits across key areas
	4.3: Limited visibility of Dairy Australia's collaborative work could hinder its ability to demonstrate value
	4.4: Stakeholders noted there could be increased collaboration with other RDCs on shared challenges
	4.5: The Australian Dairy Sustainability Framework is globally recognised but requires greater alignment and engagement
	4.6: The Australian Dairy Plan has supported more structured, ongoing collaboration between Dairy Australia and key industry bodies.
	4.7: Increased collaboration across the supply chain could enhance shared marketing and post-farmgate value creation

Focus area	Finding
<b>Governance, compliance and government alignment</b>	5.1: Dairy Australia has a strong compliance framework that reflects a leading approach to compliance
	5.2: Governance structures enable mature and effective leadership but there are opportunities to address identified inefficiencies
	5.3: Dairy Australia demonstrates compliance and strong performance against SFA principles and key performance indicators (KPIs)
	5.4: Dairy Australia aligns with government expectations and strategic RD&E priorities
	5.5: Opportunities exist to further strengthen transparency, independence, and stakeholder confidence

## Recommendations

The following recommendations have been developed to address key findings from this review.

These have been divided into three categories: 'Recommended', representing high priority improvements; 'For consideration', representing medium priority improvements; and 'Opportunity', representing longer term improvements to provide a comprehensive framework for enhancing Dairy Australia's positioning, operations and stakeholder engagement. The structure ensures that recommendations remain strategic and allow Dairy Australia's leadership to take ownership in developing and implementing specific actions.

Focus area	Recommendation	Priority
<b>Strategic performance</b>	Clarify Dairy Australia's role and remit to stakeholders, ensuring transparency on responsibilities and boundaries across research, extension and policy support	Recommended
	Improve visibility of trade and policy outcomes for levy payers through targeted communication leveraging levy payer-specific channels or forums for tailored updates	For consideration
	Reassess scope of activities to avoid duplication and maintain focus on core priorities	Recommended
<b>Engagement, consultation and communication</b>	Strengthen engagement and communication by focusing on quality over quantity, ensuring clear, accessible and results-oriented messaging that demonstrates achievements and ongoing work	Recommended
	Improve clarity of Dairy Australia's role in regional engagement under the RDP Evolution model	Recommended
	Improve accessibility and usability of information resources, including navigation, simplified language, and concise summaries to highlight key outcomes and levy value	For consideration
	Enhance transparency in consultation processes by better communicating how stakeholder feedback informs decisions and plans	For consideration
<b>Investment decisions</b>	Rebalance investment portfolio to maintain a balanced mix of short-term, region-specific projects alongside long-term strategic research, while addressing stakeholder perceptions around the visibility of short-term outcomes.	Recommended
	Consider targeted communication strategies to better share updates on investment outcomes and their on-farm applicability	For consideration
	Continue refining economic evaluation frameworks and introduce market failure checks for new research proposals	For consideration
<b>Cross-industry and cross-sector collaboration</b>	Expand collaboration with other RDCs and industry bodies to address shared challenges, particularly in climate adaptation, environmental sustainability and productivity improvements	Recommended
	Improve visibility of collaborative work and outcomes to levy payers and stakeholders	Opportunity

Focus area	Recommendation	Priority
<b>Governance, compliance and government alignment</b>	Increase transparency of governance decisions and levy fund management through regular public reporting, and ensuring independence in advisory committee appointments	<b>Recommended</b>
	Clarify governance arrangements for ADSF, including defining the boundaries of Dairy Australia's secretariat role, and improve communication of decision-making processes	<b>For consideration</b>
	Streamline internal processes and empower decision-making at appropriate levels to reduce inefficiencies	<b>For consideration</b>

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