



Independent Review of Performance: Dairy Australia

Performance Review 2021 - 2025

20 January 2026

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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
Strategic performance	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
Engagement, consultation and communication	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
Investment decisions	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
Cross-industry and cross-sector collaboration	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
Governance, compliance and government alignment	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
Strategic performance	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
Engagement, consultation and communication	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
Investment decisions	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
Cross-industry and cross-sector collaboration	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
Governance, compliance and government alignment	Increase transparency of governance decisions and levy fund management through regular public reporting, and ensuring independence in advisory committee appointments	Recommended
	Clarify governance arrangements for ADSF, including defining the boundaries of Dairy Australia's secretariat role, and improve communication of decision-making processes	For consideration
	Streamline internal processes and empower decision-making at appropriate levels to reduce inefficiencies	For consideration

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Glossary

Acronym	Term
A2EP	Australian Alliance for Energy Productivity
ADIC	Australian Dairy Industry Council
ADF	Australian Dairy Farmers
ADP	Australian Dairy Plan
ADPF	Australian Dairy Products Federation
ADSF	Australian Dairy Sustainability Framework
AIA	Agricultural Innovation Australia
AIP	Annual Investment Plan
AMPC	Australian Meat Processor Corporation
AOP	Annual Operating Plan
APL	Australian Pork Limited
ARMC	Audit and Risk Management Committee
AWI	Australian Wool Innovation
CEO	Chief Executive Officer
CRCs	Cooperative Research Centres
CRDC	Cotton Research and Development Corporation
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAFF	Department of Agriculture, Fisheries and Forestry
DFAT	Department of Foreign Affairs and Trade
DMSC	Dairy Manufacturing Sustainability Council
FRDC	Fisheries Research and Development Corporation
FY	Financial Year
GRDC	Grains Research and Development Corporation
IRP	Investment Review Panel
ISO	International Organisation for Standardisation
KPI(s)	Key performance indicator
MLA	Meat & Livestock Australia

Acronym	Term
NFF	National Farmers' Federation
NSW DPIRD	New South Wales Department of Primary Industries and Regional Development
OFOP	Our Farm Our Plan
RDC(s)	Rural Research and Development Corporation(s)
RD&E	Research, Development, and Extension
RDP(s)	Regional Development Program(s)
R&I	Research and innovation
SDFOs	State Dairy Farmer Organisations
SFA	Statutory Funding Agreement
SIP2	Smarter Irrigation for Profit Phase 2
SRA	Sugar Research Australia
TIA	Tasmanian Institute of Agriculture
VDIA	Victorian Dairy Innovation Agreement

1 Introduction

1.1 Background

Dairy Australia is one of 15 Research and Development Corporations (RDCs) supporting agriculture in Australia. RDCs are established to drive agricultural innovation, enabling co-investment by the Commonwealth Government and primary producers into research, development, and extension (RD&E) activities that enhance productivity, profitability, competitiveness, and sustainability across Australia's primary industries.¹

These corporations are primarily funded through industry levies, with matching contributions from the Commonwealth Government for eligible RD&E activities. Dairy Australia operates under the *Primary Industries Levies and Charges Disbursement Act* (2024) and within the government's performance and accountability framework with oversight from an expertise-based, independent board.²

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 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.

Dairy Australia has undergone critical organisational changes over the past two years, including leadership changes and strategic and operational reforms. Notable changes to Dairy Australia's leadership team within the two years include appointments in or after 2024 to the following positions: board Chair, board Directors, Chief Executive Officer (CEO), and General Manager for Sustainable Dairy.

Operational reforms are also underway as part of the Regional Development Program (RDP) Evolution pilot programs, bringing significant change to Dairy Australia's approach to regional engagement with farmers. Dairy Australia personnel and key stakeholders have acknowledged that at the time of the review, the impacts of these changes are yet to be fully understood and implemented.

In recent years, the Australian dairy sector has faced significant structural challenges, including declining milk production volumes in some regions, farm closures, consolidation of dairy processors, and a decline in levy revenue. These challenges underline the critical importance of Dairy Australia's investment strategies, stakeholder engagement, and capacity for delivering tangible value back to levy payers.

The organisational changes, industry context and the budgetary pressures associated with the declining milk volumes (and levies) provide important context for the Review findings.

1.2 Review purpose and limitations

1.2.1 Review purpose

Under the 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 (herein referred to as the review period) 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.³ The 2021 review provided a series of recommendations to improve Dairy Australia's governance, communication, and investment practices (see **Section three: Response to the 2021 Performance Review for a detailed list of these recommendations**). The current review's Terms of Reference include considering the extent to which those recommendations have been implemented and assessing the effectiveness of the changes made.

1.2.2 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

¹ Department of Agriculture, Fisheries and Forestry (2025). Research and Development Corporations. Available at: https://www.agriculture.gov.au/agriculture-land/farm-food-drought/innovation/research_and_development_corporations_and_companies#our-role

² *Ibid.*

³ Anwen Lovett Consulting (2021). Independent performance review 2020-21. Available at:

<https://assets.dairyaustralia.com.au/api/public/content/Independent-Performance-Review-2020-21-Final-Report?v=fc190a5f>

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- 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.

1.3 Terms of Reference

The specific Terms of Reference for this performance review are as follows for the review period:

- 1 Assess Dairy Australia's performance.
- 2 Assess the effectiveness of consultation with Dairy Australia's levy payers and members.
- 3 Assess the effectiveness of investment decisions to create a balanced portfolio of investments.
- 4 Assess the benefits that are realised from collaboration cross-industry and cross-sector.
- 5 Assess the effectiveness of governance and compliance.
- 6 Assess Dairy Australia's performance against government requirements.
- 7 Report on changes Dairy Australia has made since its previous Independent Performance Review to improve its efficiency and effectiveness and the benefits these changes have delivered.
- 8 Assess Dairy Australia's implementation and the effectiveness of actions taken to address feedback/recommendations from its previous Independent Performance Review, including actions listed in the Performance Review Response and Implementation Plan and a comparison with the previous Review's findings to identify what has/has not changed.

A series of assessment criteria associated with each Terms of Reference were established to guide the completion of the review. These are outlined in further detail in **Section two: Review approach**.

1.4 Purpose and structure of report

The purpose of this report is to outline findings from an independent assessment of Dairy Australia's performance during the 2021-2025 review period, evaluating its effectiveness against the Terms of Reference and identifying opportunities for improvement to inform future strategic planning and operational execution.

The remainder of this report is structured as follows:

- **Section two: Review approach** – Outlines the process undertaken to assess Dairy Australia's performance.
- **Section three: Response to 2021 Performance Review** – Examines Dairy Australia's progress against the recommendations and findings from the 2021 Performance Review.
- **Section four: Focus area 1: Strategic performance** – Focuses on Dairy Australia's delivery against its Strategic Plan 2020–2025, alignment with strategic priorities and achievement of industry outcomes.
- **Section five: Focus area 2: Engagement, consultation and communication** – Reviews Dairy Australia's engagement and consultation processes with levy payers and stakeholders, and assesses the quality, accessibility, and clarity of communications.
- **Section six: Focus area 3: Investment decisions** – Assesses the effectiveness, impact, and prioritisation of Dairy Australia's investments, including their alignment with industry priorities and the use of evaluation frameworks.
- **Section seven: Focus area 4: Cross-industry and cross-sector collaboration** – Explores Dairy Australia's partnerships with other RDCs and industry groups to address shared challenges and deliver sector-wide benefits.
- **Section eight: Focus area 5: Governance, compliance and government alignment** – Evaluates Dairy Australia's governance structures, statutory compliance, and alignment with government priorities, including performance against the five Performance Principles.

- **Section nine – Assessment and recommendations** – Presents an overarching assessment of Dairy Australia’s performance against the Terms of Reference and provides a set of high-priority, medium-priority, and long-term opportunities to address the key findings of the review.

The report is supported by a series of appendices, namely:

- **Appendix 1: Document register** – Presents a list of the documents provided by Dairy Australia to inform the performance review.
- **Appendix 2: Stakeholder consultation** – Presents a high-level list of the participants in internal and external consultation, and the discussion questions guiding consultation.
- **Appendix 3: Group A survey results** – Presents the results of the online survey distributed to levy payers to gather feedback on Dairy Australia’s performance across key areas. Noting a low response rate, the findings are indicative rather than representative.
- **Appendix 4: Strategic Priority performance reporting** – Presents a summary of Dairy Australia’s progress against the success indicators for the Strategic Plan 2020-2025.

2 Review approach

The review of Dairy Australia’s performance adopted a structured approach to ensure generation of meaningful findings and recommendations. As outlined below, the approach involved a phased process of stakeholder engagement, document analysis, and performance assessment to comprehensively review Dairy Australia’s activities and outcomes.

Figure 2: Review approach⁴

1. Development of the review framework

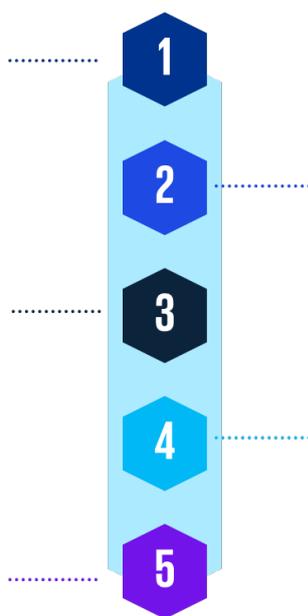
A structured framework was developed to outline assessment criteria and guide the analysis, framing both the Interim Findings and Final Report

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

The elements of the review approach are outlined in further detail in the following sections.

2.1 Development of the review framework

To guide the independent performance review, an assessment criteria and framework was developed. This framework provided a structured approach to ensure comprehensive coverage of all Terms of Reference and associated criteria. The framework provided the foundation for planning data collection, stakeholder engagement and analysis, and ensured alignment between the Terms of Reference and the evidence base used to inform findings and recommendations. The full framework is presented below in Table 2-1.

Table 2-1: Independent Performance Review assessment criteria

Terms of Reference	Assessment criteria
1. Assess Dairy Australia’s performance	<ul style="list-style-type: none"> a. Evaluate delivery of outcomes from the Strategic Plan 2020 to 2025 b. Evaluate industry benefits that can be attributed to investments by Dairy Australia c. Evaluate public and community benefits that can be attributed to investments by Dairy Australia d. Evaluate the effectiveness of advancing industry sustainability e. Evaluate the effectiveness of communicating and engaging with dairy farmers
2. Assess the effectiveness of consultation with Dairy Australia’s levy payers and members	<ul style="list-style-type: none"> a. Review consultation processes for the development of the Strategic Plan 2025 to 2030 b. Review consultation processes for annual plans and key areas of Dairy Australia operations c. Evaluate the effectiveness of organised groups for the purposes of consultation and priority setting (including farmer representative

⁴ KPMG Australia 2025.

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Terms of Reference	Assessment criteria
	<p>organisations, regional development programs)</p> <p>d. Evaluate the effectiveness of joint development forums, reference groups and projects (such as Dairy Moving Forward, the Trade Reference Group and the Productivity and Competitiveness project, respectively)</p>
3. Assess the effectiveness of investment decisions to create a balanced portfolio of investments	<p>a. Evaluate the use of economic assessment tools used before (ex-ante) and after (ex-post) investments</p> <p>b. Evaluate the use of non-economic assessments to inform investment decisions, such as for marketing decisions</p> <p>c. Evaluate the profile of investments to address varying risk, investment horizons, and targets of profitability, productivity, competitiveness, and sustainability</p> <p>d. Evaluate recent initiatives to improve investment decisions, including the Horizon Scan, Investment Review Panel, Domain Roadmaps, and Value Pools.</p>
4. Assess the benefits that are realised from collaboration cross-industry and cross-sector	<p>a. Evaluate the effectiveness of Dairy Australia's efforts to identify key cross-sectoral opportunities and priorities and collaborate with other Rural Development Corporations</p>
5. Assess the effectiveness of governance and compliance	<p>a. Review governance arrangements and practices to ensure they are fit for the proper use and management of levy funds. This includes appropriate planning, performance monitoring, reporting and independent audit certification</p> <p>b. Assess compliance with obligations set out in the relevant Acts and Regulations (e.g. Dairy Produce Act 1986, Primary Industries (Services) Levies Act 2024, Primary Industries Levies and Charges Disbursement Rules 2024)</p> <p>c. Assess compliance with obligations set out in the Statutory Funding Agreements (the Commonwealth and Dairy Australia are parties to these agreements)</p>
6. Assess Dairy Australia's performance against government requirements, including the:	<p>1. Five Performance Principles and associated Key Performance Indicators as described in the Statutory Funding Agreement and the Guidelines for Statutory Funding Agreements</p> <p>2. Best Practice Guide to Stakeholder Consultation</p> <p>3. RDC Knowledge Transfer and Commercialisation Guide</p> <p>4. Australia Government's RD&E priorities</p>
7. Report on changes Dairy Australia has made since its previous Independent Performance Review to improve its efficiency and effectiveness and the benefits these changes have delivered.	
8. Assess Dairy Australia's implementation and the effectiveness of actions taken to address feedback/recommendations from its previous Independent Performance Review, including actions listed in the Performance Review Response and Implementation Plan and a comparison with the previous Review's findings to identify what has/has not changed.	

To streamline consultation and reporting on the findings, the Terms of Reference were grouped into five focus areas. These focus areas served as overarching themes, allowing for a simple structure for discussions, review, and reporting in a clear and consistent manner. This approach ensured that the review maintained a focus on the most critical areas of Dairy Australia's operations and outcomes while effectively capturing stakeholder perspectives.

The five focus areas, which serve as the foundation for this review, are outlined below in Table 2-2.

Table 2-2: Key focus areas

Focus area	Explanation
1 Strategic performance	Focuses on Dairy Australia's delivery against its Strategic Plan 2020-2025, alignment with strategic priorities and achievement of industry outcomes.

	Focus area	Explanation
2	Engagement, consultation and communication	Focuses on the effectiveness of Dairy Australia’s engagement and consultation processes with levy payers and stakeholders, as well as the clarity and accessibility of its communications.
3	Investment decisions	Focuses on the balance and impact of Dairy Australia’s investment portfolio, including the use of economic and non-economic assessment frameworks.
4	Cross-industry and cross-sector collaboration	Focuses on Dairy Australia’s efforts to identify and pursue collaborative opportunities with other RDCs and industry bodies to deliver shared benefits.
5	Governance, compliance and government alignment	Focuses on Dairy Australia’s governance structures, compliance with statutory obligations and alignment with government priorities and performance principles.

2.1.1 Performance ratings

A criteria-based rating system has been adopted to assess Dairy Australia’s performance against each of the Terms of Reference. This provides a structured method for identifying strengths, weaknesses and opportunities for improvement. The criteria are designed to be clear and objective, the rating categories are defined below in Table 2-3.

Table 2-3: Performance rating measures

Performance rating	Description
Leading	This area demonstrates significant strengths and reflects highly effective performance from Dairy Australia with little-to-no identified issues or opportunities for improvement.
Mature	The area has more strengths than weaknesses, indicating that this area of Dairy Australia’s performance enables satisfactory performance against relevant assessment criteria. However, there are some issues and/or opportunities for improvement.
Developing	This area has significant weaknesses, indicating that this aspect of Dairy Australia’s performance may be ineffective against relevant assessment criteria. Significant improvements are required.

2.1.2 Recommendation ratings

To ensure actionable outcomes, recommendations identified through the review process are prioritised based on their urgency and the impact of their implementation. Recommendations are evaluated against their relevance to improving Dairy Australia’s performance and assigned a rating defined in Table 2-4 below.

Table 2-4: Prioritisation of recommendations

Recommendation rating	Description
Recommended	A high-priority improvement that should be implemented as an essential improvement or align Dairy Australia with best practice.
For consideration	A medium-priority improvement that would likely offer benefits but is not urgent or crucial.
Opportunity	A lower-priority improvement that presents potential opportunities for enhancement and could be pursued if time, budget and interest permit.

2.2 Document review

The review’s initial phase involved a desktop examination of Dairy Australia’s documentation and materials. This step was critical in establishing a baseline understanding of performance and compliance before engaging stakeholders. The review focused on assessing Dairy Australia’s strategic performance, consultation processes, engagement and communication effectiveness, investment decisions, governance arrangements and alignment with government requirements. It also examined the extent to which recommendations from the 2021 Independent Performance Review have been implemented and their effectiveness.

To achieve this, KPMG submitted a formal data request to Dairy Australia, with all requested documents listed in **Appendix 1: Document register**. Dairy Australia provided a wide range of documentation and materials in

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response to the data requests. The documents provided included strategic plans, annual reports, financial records, ex-ante and ex-post evaluations, performance reports, consultation materials, and evidence of compliance against government requirements.

The desktop review provided a structured evidence base for assessing performance against the Terms of Reference (**Table 2-1**). It also informed the development of preliminary insights and emerging themes, which were tested and refined through internal and external stakeholder consultations

2.3 Consultation with Dairy Australia

Targeted consultation was conducted with Dairy Australia internal personnel. The objective of these sessions was to test preliminary findings and insights from the desktop review with relevant Dairy Australia teams. They were also used to collect additional information to further analyse Dairy Australia's performance. Stakeholder groups consulted with and the focus of discussion can be found in Table 2-5 below, with further detail including consultation questions in **Appendix 2: Stakeholder consultation**.

Table 2-5: Internal stakeholder consultation undertaken

Stakeholder group	Discussion focus
People and Culture	Implementation, monitoring, and impact of improvements to business systems and processes for efficiency and effectiveness implemented after the previous review.
Research and Innovation	Process, key inputs, and impact of Dairy Australia's RD&E activities, and their alignment to regional and Australian Government RD&E priorities.
Corporate Services	Dairy Australia's development of, and ongoing alignment to key strategic documents, approach to RD&E, governance arrangements, financials and risks, internal processes, implementation of new IT and CRM systems.
Marketing and Communications	Dairy Australia's communication and consultation approach and strategies, and their effectiveness in engaging key stakeholders.
Regional Services	Dairy Australia's regional stakeholder consultation, engagement with levy payers under the new RDP system, and extension delivery.
Sustainable Dairy	Dairy Australia's sustainability activities, their alignment with strategic and government priorities including the Dairy Australia trade program, the evolution of the Australian Dairy Sustainability Framework, the Issues Management Framework and the technical policy support team.
Dairy Australia Board	Dairy Australia's approach to governance and risk management and compliance.

2.4 Industry consultation and survey

External stakeholder engagement was a critical element of this review, designed to assess Dairy Australia's performance against the Terms of Reference and gather feedback on its interactions with key partners and members. This phase included structured consultations and a survey to collect diverse perspectives from stakeholders, ensuring that the review was comprehensive and reflective of the views held across the dairy sector.

2.4.1 Stakeholder groups and coverage

To support an effective and targeted consultation process, Dairy Australia worked closely with KPMG, identifying and prioritising key stakeholder groups that reflected the diversity of the dairy sector. Dairy Australia played a central role in this process, facilitating connections between KPMG and relevant stakeholders to ensure the consultation was comprehensive and inclusive. An overview of the stakeholder groups engaged through this process and the general purpose of their involvement in the review is provided below in Table 2-6.

Table 2-6: External stakeholder groups and purpose of engagement

Stakeholder group	Purpose of engagement
Federal Government stakeholders (Department of Agriculture, Fisheries and Forestry (DAFF) and Department of Foreign Affairs and Trade (DFAT))	<ul style="list-style-type: none"> Determine alignment with regulatory requirements, adherence to government priorities, and the overall effectiveness of policy-related collaboration.

Stakeholder group	Purpose of engagement
State Dairy Farmer Organisations (SDFOs)	<ul style="list-style-type: none"> Assess the effectiveness of Dairy Australia's strategic alignment with regional priorities, its ability to engage with local representatives, the extent of its impact on regional outcomes, and perceptions of relevance and benefits of Dairy Australia's RD&E investments.
Processors	<ul style="list-style-type: none"> Assess the effectiveness of Dairy Australia's strategic alignment with the priorities of processors, and effectiveness of collaborative industry reference and working groups.
Producers	<ul style="list-style-type: none"> Assess the effectiveness of Dairy Australia's engagement, communication, and consultation with individual producers, and perceptions of relevance and benefits of Dairy Australia's RD&E investments.
Australian Dairy Farmers (ADF)	<ul style="list-style-type: none"> Assess the effectiveness of Dairy Australia's strategic alignment with national dairy farmer priorities, its ability to engage, communicate, consult, and collaborate with the ADF, and broad perceptions of relevance and benefits of Dairy Australia's RD&E investments.
Australian Dairy Products Federation (ADPF)	<ul style="list-style-type: none"> Assess the effectiveness of Dairy Australia's strategic alignment with priorities across the broader dairy supply chain, and its ability to engage, communicate, consult, and collaborate with the ADPF.
Group A levy payers ⁵	<ul style="list-style-type: none"> Understand farmer perspectives on Dairy Australia's communication and consultation processes and assess how its investments provided tangible on-farm benefits. This feedback aimed to capture farm businesses across diverse regions, farm sizes and systems to ensure broad representation.
RDPs	<ul style="list-style-type: none"> Assess the effectiveness of regional engagement, experiences of the RDP Evolution pilot, and the delivery of region-specific benefits and support.
Research and innovation partners	<ul style="list-style-type: none"> Assess the impact and value of Dairy Australia's RD&E investments. Discussions also focused on exploring opportunities for further innovation and increased adoption of RD&E outcomes.
Individual consultants	<ul style="list-style-type: none"> Understand and assess independent perceptions of Dairy Australia's organisational performance, and effectiveness of Dairy Australia's approach to collaboration for the Australian Dairy Plan (ADP) and the Australian Dairy Sustainability Framework (ADSF).

2.4.2 Engagement methods

To ensure comprehensive and meaningful input, the review adopted an engagement approach tailored to different stakeholder groups. Engagement methods were designed to capture qualitative insights as well as validate emerging findings and provide opportunities for stakeholders to contribute perspectives on Dairy Australia's performance. Each engagement method was supported by discussion guides to ensure clarity of objectives, enable participants to prepare and consistency in data gathering. The discussion guides can be found in **Appendix 2: Stakeholder consultation**.

- Structured external consultation sessions**
 - Format: 30–60-minute virtual meetings via Microsoft Teams.
 - Purpose: These facilitated sessions were designed to explore topics in depth, including Dairy Australia's strategic performance, governance, effectiveness of consultation processes and investment decisions.
 - Participants: SDFOs, processors, suppliers, ADF, ADPF, research partner and government stakeholders.
 - Timing: Consultation took place between 3rd November and 5th December 2025.
- Group A member survey and farmer consultation sessions**
 - Format: An online survey was distributed to Group A members through Microsoft Forms, complemented by online farmer consultation sessions via video conference. These sessions provided an additional platform for direct engagement and feedback.

⁵ Group A members are comprised of Australian dairy farm business operators who pay the Dairy Service Levy and have become members of Dairy Australia. Group A members have voting rights on resolutions and board director appointments at Dairy Australia's Annual General Meeting.

- Purpose: To collect structured feedback on Dairy Australia’s strategic performance, communication, consultation processes, and perceived benefits of investments. Both the online survey and the virtual consultation sessions served as supplementary engagement tools, offering all Group A members a clear 'have your say' opportunity to share their perspectives and contribute to the consultation process.
 - Timing: The survey remained live for three weeks from 18th November to 5th December 2025, allowing time for responses. Additionally, the three farmer consultation sessions were conducted from 2nd to 4th December 2025, providing further opportunities for input and discussion.
- **In person workshop with RDPs**
 - Format: A 90-minute facilitated workshop conducted in person.
 - Purpose: This workshop offered an opportunity for RDP representatives to provide regional insights.
 - Timing: The workshop took place on 25th November 2025.

The insights gathered from these external engagements were fundamental in refining the review’s conclusions and recommendations. They provided clarity on the most critical areas requiring focus and improvement while highlighting areas where stakeholders felt Dairy Australia was demonstrating strengths.

2.5 Review findings and recommendations

The review report (this document) synthesises findings of the review, integrating stakeholder feedback obtained during external consultations and insights from the desktop review. This holistic perspective ensures the review fully captures Dairy Australia’s activities and performance across the identified Terms of Reference.

3 Response to the 2021 Performance Review

3.1 Introduction

The 2021 Review, conducted by Anwen Lovett Consulting in collaboration with Ancer Consulting Pty. Ltd, evaluated Dairy Australia's performance during the 2017–2020 review period under the Statutory Funding Contract 2017-2020. This evaluation identified several recommendations aimed at improving Dairy Australia's operations and aligning its objectives with stakeholder expectations and strategic priorities.

Dairy Australia has implemented changes to respond to the majority of the recommendations from the 2021 Review throughout the current period. However, significant broader changes have also shaped the organisation's operational context during the review period, impacting the relevance and applicability of some recommendations of the previous review. These key changes include leadership changes and strategic and operational reforms as outlined earlier in report.

These changes are essential in interpreting Dairy Australia's progress against recommendations set out in the 2021 review and in identifying where improvements remain required.

3.2 Assessment

Table 3-1 summarises the current status of Dairy Australia's response to the 2021 Review recommendations. A status of 'complete' or 'in progress' is assigned to each recommendation.

The majority of the recommendations from the 2021 Review have been responded to, with significant progress observed in key areas such as business systems and processes, governance, and organisations' communication initiatives. Ongoing initiatives, such as evolving the RDP model and enhancing farmer communications, demonstrate Dairy Australia's commitment to continuous improvement. The assessment of progress against these recommendations has been based on the activities undertaken during the current review period and through stakeholder consultation completed as part of the review.

Table 3-1: Dairy Australia 2021 Performance Review Recommendations

Item	Theme	2021 Review Recommendation	Status	Rationale for status
Business Systems and Processes	<i>Striking the Right Balance</i>	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.	<i>Complete</i>	Dairy Australia has made significant progress in developing and embedding systems and processes to enhance efficiency and add value. Key advancements include the implementation of a Salesforce roadmap, leading to improved adoption metrics like increased training, daily access, and data recording by staff. Furthermore, major technology investments, including the implementation of the new finance system, HRIS consolidation, network upgrades, and cloud migrations, have streamlined processes, increased productivity and improved data integrity and security. ^{6,7} Importantly, these investments reflect a balanced approach, ensuring Dairy Australia has achieved a good level of technological uplift without over-investing relative to its size and operational needs.
	<i>Board Reading Material</i>	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.	<i>Complete</i>	The Board, in collaboration with management, has successfully addressed the need to optimise board meeting materials. Improvements have been implemented to streamline board meeting papers by reducing unnecessary and excessive content, allowing the Directors to focus on strategic matters that add the most value to the organisation. Board members have noted that significant improvements have been made to the efficiency of board papers, including elevated agendas, following the onboarding of a new Company Secretary during the review period. ⁸ This shift reflects the significant progress the Board has made in improving its operations, as highlighted in the 2024 Dairy Australia Board Performance Report, which cites stronger performance and increased clarity in board dynamics and responsibilities. ⁹ However, ongoing commitment to periodically reviewing and refining these materials will ensure sustained efficiency and value addition in the future.
Australian Dairy Plan	<i>Focus on the Mandate</i>	The Dairy Australia Board and MD 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	<i>Complete</i>	Dairy Australia's participation in the Australian Dairy Plan has been completed during the review period. To ensure workloads remained manageable, Dairy Australia engaged an independent consultant to act as the ADP Secretariat. Based on the period which work under the ADP was undertaken, this recommendation is considered complete.

⁶ Dairy Australia (n.d.), Salesforce Optimisation & Efficiencies – Roadmap & Adoption Metric (Internal document).

⁷ Dairy Australia (n.d.), Internal document outlining organisational productivity gains from technology upgrades undertaken during the review period (Internal document).

⁸ Board papers (April, May, June 2025) (Internal documents).

⁹ Blackhall and Pearl, (2024), 2024 Dairy Australia Board Performance Review Report (Internal document).

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Item	Theme	2021 Review Recommendation	Status	Rationale for status
		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.		
	<i>Expectations about Industry Structures</i>	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.	Complete	The expectations around the future of industry representation have been actively managed as part of the Australian Dairy Plan's commitment to organisational reform. Partner organisations, including ADF, ADPF and Dairy Australia, have collaborated through the Organisational Reform Steering Committee to explore reform options and provide updates to stakeholders. Relevant messaging underscores that Dairy Reform is an industry-wide effort, stating that the reform process involves collaboration among all partner organisations and is not solely led by Dairy Australia. Regular updates on the reform process have been made available through platforms such as the Dairy Plan website and half-yearly progress updates, ensuring transparency and managing industry expectations effectively. Based on the significant communication efforts and stakeholder engagement detailed in the provided materials, this recommendation is considered complete.
Dairy Farmer Communications	<i>Seeking Continuous Improvement</i>	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.	Ongoing	While Dairy Australia has made progress by adopting a multi-channel communication strategy and improving its Farmer Communications Strategy (2024–2026), feedback from levy payers highlights gaps in engaging less invested or critical stakeholders. Concerns remain around the relevance, volume, and clarity of communication, particularly in terms of targeted updates for disengaged or critical farmers and improved accessibility to resources. Further detail to this theme can be found under Finding 2.1 Engagement with levy payers and stakeholders has improved but remains inconsistent across regions and functions , and Finding 2.5: Dairy Australia has improved levy payer communication, but resource accessibility and demand for quality over quantity remain areas for improvement .

Item	Theme	2021 Review Recommendation	Status	Rationale for status
	<i>Communicating Benefit of RD&E Partnerships</i>	Dairy Australia to specifically target farmer communication to demonstrate the benefits of its major RD&E 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.	Ongoing	<p>Dairy Australia has taken steps to enhance its communication and engagement strategies around its major research investments under the Victorian Dairy Innovation Agreement (VDIA), including DairyBio and DairyFeedbase. These programs represent a significant proportion of the research component of RD&E and are central to advancing long-term industry outcomes. Notably, DairyBio has delivered critical genetic improvements during the review period, including the release of the Sustainability Index alongside improved reliability of Survival, Heat Tolerance, and Feed Saved Australian Breeding Values and the introduction of a conception prediction tool. These outcomes provide practical value for farmers and demonstrate tangible progress, even as full benefits from long-term research are realised over extended timeframes consistent with international benchmarks for agricultural genetics.</p> <p>While these achievements highlight the impact of Dairy Australia's research investments, stakeholder feedback indicates that communication about these benefits and their regional relevance remains inconsistent. Farmers have expressed a desire for clearer explanations of how major RD&E investments align with regional priorities and production systems, and how these innovations translate into on-farm improvements.</p> <p>Further detail to this theme can be found under Finding 3.1: Dairy Australia's investment into RD&E activities have advanced sector knowledge but lack clear communication of outcomes to stakeholders.</p>
KPI Discipline	<i>Annual Targets and Baselines</i>	Dairy Australia continues how targets/measures in the AOP can be used to create stronger linkages between performance year on year with the five-year outcomes of the 2020 Strategic Plan.	Complete	Dairy Australia has made progress in refining its monitoring and evaluation framework to link Annual Operating Plans (AOPs) with the five-year outcomes of the 2020 Strategic Plan. The updated Evaluation Framework includes a structured approach for tracking strategic success indicators, and project-level metrics have been aligned with each strategic outcome in the AOP across various years.
		Dairy Australia ensure all KPI baselines under the 2020 Evaluation Framework are confirmed and published prior to the end of 2020/21.	Complete	The 2020 Evaluation Framework was updated and published in June 2020 and provides a structured approach for monitoring and evaluation, including confirmation of performance targets, success indicators, and project-level metrics. Evidence within Dairy Australia's documentation, such as the Annual Operating Plans and related performance reports, indicates that baseline data for the strategic success indicators was set and has been integrated into subsequent monitoring and annual reporting processes, which align AOP metrics with strategic goals.

Item	Theme	2021 Review Recommendation	Status	Rationale for status
Regional Development Programs	<i>Realising the Opportunity</i>	RDPs be enabled to take on a more formalised role in two-way communication between Dairy Australia and RDPs about regional RD&E priorities and Dairy Australia RD&E priorities.	Ongoing	<p>The RDP Evolution model has redefined Dairy Australia and RDP relationships into a Business-to-Business model, with RDPs acting as independent entities focused on strategic governance rather than operational service delivery. New agreements have been signed, and structured processes such as the Annual Investment Plan (AIP) consultation and Dairy Australia-RDP Chairs Council aim to strengthen two-way communication. While significant progress has been made, the model is still in the pilot phase in four regions, and ongoing refinement is needed for full role clarity and enhanced consultation.</p> <p>Further detail to this theme can be found under Finding 2.2: Levy payers are unclear about the scope and role of Dairy Australia in regional engagement, particularly related to the RDP Evolution pilot.</p>
		A more direct relationship between the Dairy Australia RDP Manager and the Dairy Australia MD should be adopted to strengthen RDP communication with the Dairy Australia executive.	Complete	The RDP Manager role was replaced by the General Manager Regional Services role, which now reports directly to the Managing Director. This structural change enhanced communication between regional stakeholders and Dairy Australia's executive team, resolving previous gaps in leadership connections and ensuring alignment between regional priorities and national strategy.
RD&E Partnerships	<i>Confirm Alignment and Value Proposition</i>	In the context of the new Strategic Plan 2020, Dairy Australia to 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 delivered.	Ongoing	<p>While Dairy Australia has made progress in balancing its RD&E portfolio, stakeholders have expressed concerns that the investment portfolio remains heavily weighted towards long-term, high-risk projects under partnerships like DairyBio and DairyFeedbase. There is ongoing feedback that greater flexibility is required to incorporate short-term, region-specific projects that deliver quick on-farm benefits alongside these longer-term investments. The incoming Strategic Plan 2030 provides an opportunity for Dairy Australia to recalibrate its portfolio to better align with these evolving priorities and ensure the goals of the new strategy are achieved.</p> <p>Further detail to this theme can be found under Finding 3.1: Dairy Australia's investment into RD&E activities have advanced sector knowledge but lack clear communication of outcomes to stakeholders.</p>

4 Focus area 1: Strategic performance

Summary of findings:

- Finding 1.1: Dairy Australia has displayed mixed performance across the strategic priorities of the Strategic Plan (2020-2025)
- Finding 1.2: External stakeholders suggest that Dairy Australia's current base of activities is broader than the scope expected by industry
- Finding 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
- Finding 1.4: External stakeholders are highly optimistic for the future of Dairy Australia under the incoming Strategic Plan 2030

4.1 Introduction

This section focusses on assessing Dairy Australia's performance in relation to its strategic performance and relates to the following Terms of Reference:

Table 4-1: Relevant Terms of Reference, Focus area 1: Strategic performance

Terms of Reference	Assessment criteria
1. Assess Dairy Australia's performance	<ul style="list-style-type: none"> a. Evaluate delivery of outcomes from the Strategic Plan 2020 to 2025 b. Evaluate industry benefits that can be attributed to investments by Dairy Australia c. Evaluate public and community benefits that can be attributed to investments by Dairy Australia d. Evaluate the effectiveness of advancing industry sustainability e. Evaluate the effectiveness of communicating and engaging with dairy farmers

The focus area involved review of Dairy Australia's performance against the delivery of outcomes from the Strategic Plan 2020-2025 and effectiveness in advancing industry sustainability. The review also considers Dairy Australia's planning and consultation for its incoming Strategic Plan 2030.

Dairy Australia's Strategic Plan (2020-2025) sets out seven strategic priorities developed through stakeholder consultation processes, with associated key outcomes and measurable success indicators attached to each priority. Dairy Australia's strategic priorities for the review period are outlined in Table 4-2 below. All investments and projects undertaken by Dairy Australia are aligned to one or more key outcomes.

Table 4-2 Dairy Australia's Strategic Priorities for 2020-2025

	Strategic priority	Goal
1	More resilient farm businesses	Farm businesses that are more profitable, resilient and innovative in managing price and cost volatility.
2	Attract and develop great people for dairy	Attract great people to the dairy industry, build their capability and careers, and foster a safe work culture
3	Strong community support for dairy	Enhanced trust and value in the Australian dairy industry, farmers and products
4	Thrive in a changing environment	Profitable farm businesses that adapt to the changing natural environment and provide good stewardship of resources

	Strategic priority	Goal
5	Success in domestic and overseas markets	Improved access to high-value dairy markets, backed by trusted market insights and a favourable regulatory and policy environment
6	Technology and data-enabled dairy farms	Inspire more agile and responsive dairy businesses through greater integration of technology and data
7	Innovative and responsive organisation	An organisation that is farmer-focused, with talented people who embrace innovation and take decisive actions

4.2 Findings

Key findings emerging through document review and consultation with internal and external stakeholders are outlined below. For further detail on Dairy Australia's progress against the Strategic Plan (2020-2025), see **Appendix 4: Strategic Priority performance reporting** for detail on the ratings attributed to each success indicator.

4.2.1 Finding 1.1: Dairy Australia has displayed mixed performance across the strategic priorities of the Strategic Plan (2020-2025)

4.2.1.1 Strategic Priority 1: More resilient farm businesses.

While Dairy Australia's annual Performance Report for 2024-25 indicates strong progress against Strategic Priority 1, with over 85 per cent of success indicators were on track or achieved, this sentiment has not been shared by Dairy Australia's key stakeholders.¹⁰

Broad sentiments were shared across SDFOs, processors, and research partners that the Strategic Plan (2020-2025) lacked focus on achieving productivity and profitability for farmers and the industry. This discrepancy may stem from the outcomes and success indicators for this priority area being primarily focused on farm business performance. In contrast, stakeholders' concerns appear to be influenced by their broader perceptions of Dairy Australia's overall activities and investment priorities.

4.2.1.2 Strategic Priority 2: Attract and develop great people for dairy.

There is further progress to be made against Strategic Priority 2, with one of nine success indicators achieved, and four of nine success indicators on track. As of 2024-25, success indicators which are more than 20 percentage points below target are "70 per cent of employers have clear, logical, and supported [career] development pathways for themselves", with this being achieved by 43 per cent of employers, and "80 per cent of farm businesses have access to the information and tools they need to get the fundamentals right on-farm", achieved by 58 per cent of farm businesses.¹¹

While this strategic priority has been identified by processor and SDFO stakeholders as a potential priority area for the next review period, stakeholders have also acknowledged that attraction and development of people into the industry remains an ongoing challenge at a broader agricultural sector level. Stakeholders also suggest that Dairy Australia's support for dairy workforce strategies should explicitly address wider adoption challenges, particularly for smaller farm businesses, and ensure tools such as PeopleSpot and other programs align with on-the-ground realities.

4.2.1.3 Strategic Priority 3: Strong community support for dairy.

Dairy Australia has displayed strong performance against Strategic Priority 3 across organisational performance reporting, with 90% of more of success indicators are on track or achieved.¹²

In addition to achieving the indicator related to community refunction of the ADSF 2022/23, external consultation across industry, research, and government bodies has indicated broad agreement across multiple stakeholder groups that the ADSF is industry-leading work on supporting sustainability in agriculture. Further detail to the ADSF as a key example of industry collaboration is detailed in **Finding 4.5: The Australian Dairy Sustainability Framework is globally recognised but requires greater alignment and engagement**.

Consultation has also revealed that there is also broad industry confidence from SDFOs and processors in Dairy Australia's role in progressing outcomes for trust and acceptance of the dairy industry, including marketing

¹⁰ Dairy Australia (2025), Performance Report 2024-25. For a summary of Dairy Australia's progress against the success indicators for each priority, see **Appendix 4: Strategic Priority performance reporting**.

¹¹ *Ibid.*

¹² *Ibid.*

operations which focus on promotion of farm practices that maintain the industry's social licence to operate. Industry representative groups highlighted marketing and education campaigns such as 'Dairy Matters – Our Dairy Promise' and the 'You Ask, We Answer' platform as key points of success in community engagement.^{13, 14}

However, there has been lagging progress against the indicator for "40 per cent of farmers actively [promoting] the industry", with this being achieved by 31 per cent of farmers as of 2024-25. It is acknowledged that while there may be slow progress against this indicator, consultation with Dairy Australia's internal stakeholders and review of internal documentation confirms that Dairy Australia's internal marketing strategy has activities and programs in place to support this target. This is supported primarily through the Farmer Ambassador program, which aims to build and support a cohort of 'farmer ambassadors' to positively represent the industry and play a key role in consumer marketing¹⁵.

While public benefit initiatives such as investments in sustainability and trust are critical, consultation emphasised the importance of clearly articulating the economic value of these efforts to farmers. Social license initiatives should demonstrate how they deliver direct benefits for farmers, including on farm profitability and measurable economic returns for levy payers.

4.2.1.4 Strategic Priority 4: Thrive in a changing environment.

Dairy Australia's performance is lagging against Strategic Priority 4, with only 50 per cent or more success indicators are on-track or achieved.¹⁶

Dairy Australia has achieved its targets against two success indicators, with 97 per cent of dairy farm businesses adopting technologies and management practices to achieve land, water, carbon and energy efficiency against a 70 per cent target, and 75 per cent of dairy farm businesses having access to and adopting commercial solutions for reducing on-farm emissions against a 40 per cent target by 2024-25.

However, there is notable lag across success indicators focussing on understanding and access to information, including "access to enough information to understand the impact of changes in the environment", and "farmers with dairy farm businesses of 300+ herd size understand their carbon footprint".¹⁷ Consultation with Dairy Australia's external stakeholders reveals continued progress towards achieving these targets, with the Farm Environmental Tracker and the Australian Dairy Carbon Calculator identified by Group B members, as well as multiple farmer and processor stakeholders as being helpful for understanding and monitoring on-farm emissions.^{18, 19}

4.2.1.5 Strategic Priority 5: Success in domestic and overseas markets

Strategic Priority 5: Success in domestic and overseas markets is underpinned by a goal of achieving "improved access to high-value dairy markets, backed by trusted market insights and a favourable regulatory and policy environment." Dairy Australia has performed strongly against this priority, with all success indicators on-track or achieved.²⁰

Significant headway has been made against the outcomes for Australian dairy being valued around the world for its premium products. This includes exceeding targets for Australian dairy products being nominated as preferred status by customers in key markets, including by 82 per cent of customers in Japan, 94 per cent of customers in Greater China, and 84 per cent of customers in South-east Asia as of 2024-25.²¹ Consultation with external stakeholders have pointed to Dairy Australia initiatives – including the Dairy Australia Scholarship Program, the Dairy Australia Alumni network, and participation in international industry events such as Kangaroo Kai in Japan – as key reasons for the ongoing success of Australian dairy in these key markets for trade.

Dairy Australia is on track to meet the target of "100 per cent of industry and government stakeholders that use policy related services value the work of Dairy Australia to inform policy discussions", with agreement from 89 per cent of stakeholders.²² This is supported by consultation with government stakeholders who agreed that the work

¹³ Dairy Australia (n.d.), *Our Dairy Promise*. Available at: <https://www.dairy.com.au/promotion/our-dairy-promise>.

¹⁴ Dairy Australia (n.d.), *You Ask, We Answer*. Available at: <https://www.dairy.com.au/you-ask-we-answer>.

¹⁵ Dairy Australia (n.d.), *Farmer Ambassadors*. Available at: <https://www.dairyaustralia.com.au/promoting-australian-dairy/consumer-marketing/farmer-ambassadors>.

¹⁶ Dairy Australia (2025), Performance Report 2024-25. For a summary of Dairy Australia's progress against the success indicators for each priority, see **Appendix 4: Strategic Priority performance reporting**

¹⁷ Dairy Australia (2025), Performance Report 2024-25. For a summary of Dairy Australia's progress against the success indicators for each priority, see **Appendix 4: Strategic Priority performance reporting**

¹⁸ Dairy Australia (n.d.), *Farm Environmental Tracker*. Further information available at:

<https://www.dairyaustralia.com.au/en/climate-and-environment/environmental-management/farm-environmental-tracker>.

¹⁹ Dairy Australia (n.d.), *Australian Dairy Carbon Calculator*. Further information and resources available at:

<https://www.dairyaustralia.com.au/en/climate-and-environment/greenhouse-gas-emissions/australian-dairy-carbon-calculator>.

²⁰ *Ibid.*

²¹ *Ibid.*

²² *Ibid.*

of Dairy Australia, including timely responses to requests for information and accurate early market insights, was highly valuable in supporting policy and trade discussions.

Notably, while consultation with SDFOs revealed consensus that Dairy Australia has undertaken significant and important work around trade, several stakeholders suggested that most farmers lack visibility and access to this work. RDPs similarly noted that Dairy Australia's trade and policy efforts show genuine commitment to representing farmer views, with examples such as water policy cited positively. However, collaboration on trade is perceived as occurring at a higher level, with limited visibility for farmers. This may indicate an opportunity for clearer messaging to farmers around the awareness and availability of Dairy Australia's trade work and resources and outcomes achieved.

4.2.1.6 Strategic Priority 6: Technology and data-enabled dairy farms

Strategic Priority 6: Technology and data-enabled dairy farms is underpinned by a goal to “inspire more agile and responsive dairy businesses through greater integration of technology and data.” Dairy Australia's performance is mixed against this priority.

While several research-focussed indicators have been achieved, there is lagging progress at the broader outcome level. This includes the target for “75 per cent of dairy farm business has access to the information and tools that they need to run their chosen farm system”, which is currently being met by 54 per cent of farm businesses.²³ Stakeholders have noted that a lack of technological progress and on-farm improvements to technical efficiency is resulting in limited improvements to productivity and farm profits. Consultation with research partners and SDFOs highlight several barriers to achieving these targets, including cost and resistance to change, to on-farm adoption of new technologies, which are not entirely within Dairy Australia's remit, as farmers will ultimately decide on their on-farm investments and improvements.

Researchers also raised that there may be some inconsistency in how Dairy Australia's extension teams engage with different research projects, resulting in some challenges for on-farm implementation of research outcomes. Researchers also suggested that there may be future opportunity for Dairy Australia to partner with their internal extension teams to enable a more effective approach in translating research into on-farm outcomes.

There has also been mixed progress against the outcome of “accelerated genetic progress in feedbase and animal breeding”, in relation to Dairy Australia's major research projects through DairyBio and DairyFeedbase.²⁴ Further detail to investment effectiveness, including insights from stakeholder consultation regarding genetic research, are discussed in **Section six: Focus area 3: Investment decisions**.

4.2.1.7 Strategic Priority 7: Innovative and responsive organisation.

Strategic Priority 7: Innovative and responsive organisation is underpinned by a goal of “an organisation that is farmer-focused, with talented people who embrace innovative thinking and decisive action.” Dairy Australia is lagging in this priority area, with only 42 per cent of success indicators on track or achieved.

Significant progress has been made towards ensuring Dairy Australia's values are known and well understood by employees. More recent work, including the finalisation of an updated Employee Value Proposition, is likely to have provided further support for ensuring continued progress, including against commitment to Dairy Australia's values, and improvements to sentiments surrounding Dairy Australia's ways of working, which are currently lagging against target.²⁵

An additional indicator for “80 per cent of farmers believe Dairy Australia is responsive to major industry events impacting the industry” is currently lagging at 54 per cent. Notably, however, across external consultations, multiple external stakeholders have highlighting Dairy Australia's strengths in providing rapid and relevant information in the issues management space, such as during the development of floods, drought, and biodiversity risks. This is supported by success indicators around employees' belief that they have “the right tools and infrastructure to deliver the best service to levy payers”, and that “Dairy Australia's processes allow for agility and responsiveness” being on track. Opportunities for continued improvement have been highlighted during external consultation, where Dairy Australia's collaborators have noted opportunities for improving internal processes within the organisation, including through adopting more automated systems for file transfer and invoicing.

The review also acknowledges that significant organisational change has occurred following during the review cycle, including changes to the organisation's leadership team, board membership, and the appointment of a new CEO. Noting that that performance against the success indicators may have been impacted by these changes, further detail to the outcome “We have a farmer-focussed service delivery model” is explored in **Section five: Focus area 2: Engagement, consultation and communication**, and “We have effective and transparent

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ Dairy Australia (2025), Employee Value Proposition – Project Overview (Internal document).

management of resources” is explored in **Section eight: Focus area 5: Governance, compliance and government alignment**.

4.2.2 Finding 1.2: External stakeholders suggest that Dairy Australia’s current base of activities is broader than the scope expected by industry

Under the SFA between Dairy Australia and the Commonwealth, review of Dairy Australia’s performance is conducted against the organisations’ performance against the Performance Principles, and the demonstration of this performance to levy payers and other stakeholders.²⁶ The Performance Principles are:

- a) To engage stakeholders to identify RD&E priorities and activities that provide benefits to the industry²⁷
- b) To ensure RD&E priorities and activities (and Marketing Activities) are strategic, collaborative, and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a Balanced Portfolio²⁸
- c) To undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors²⁹
- d) For governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practices for open, transparent and proper use and management of Funds³⁰
- e) To demonstrate positive outcomes and delivery of RD&E and marketing benefits to Levy Payers and the Australian community in general and show continuous improvement in governance and administrative efficiency.

The Performance Principles outline a broad remit for Dairy Australia to cover RD&E activities, Extension, and marketing activities, including the marketing, advertising, or promotion of the dairy industry and its products. While Dairy Australia’s wide base of activities remains within this broad remit, multiple stakeholder groups, including SDFOs, processors, and research partners have suggested that some of Dairy Australia’s current activities extend beyond industry expectations of a levy body. Current activities identified by stakeholders for reconsideration include the extent of Dairy Australia’s involvement in the ADSF beyond its formal secretariat role, the volume of information and communications materials developed for industry, and Dairy Australia’s increased ownership of extension delivery.

Stakeholders have suggested that this widened scope can be partially attributed to a pattern of Dairy Australia responding to industry issues and assuming ‘ownership’ of the issue by default as other industry players stepping away. Stakeholders have also noted that there is occasional confusion by industry stakeholders – including both farmers or processors – regarding the distinct role of Dairy Australia, compared to industry representative bodies, such as the ADF and ADPF.

Furthermore, long-term research partners have noted that Dairy Australia has increased its ownership of Extension activities. While the delivery of extension activities by some government research partners have ceased following mutual agreement with Dairy Australia, multiple academic research partners have indicated their willingness to increase the scope of their partnership with Dairy Australia to include extension support as well as delivery of R&D activities.

4.2.3 Finding 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

Consultation with external stakeholders – including SDFOs, RDPs, processors, and research partners – revealed mixed opinions regarding the extent to which Dairy Australia’s Strategic Plan (2020-2025) aligned to their strategic priorities. Key challenges from RDPs indicated that the Strategic Plan (2020-2025) felt disconnected from regional priorities, resulting in duplication of effort at the regional level to make it relevant.

Additionally, consultation with RDPs revealed farmer sentiments that the Strategic Plan (2020-2025) lacked measurable KPIs to enable progress tracking and accountability. The review notes that Dairy Australia has worked

²⁶ DAFF and Dairy Australia, Statutory Funding Agreement 2025-2034, executed 2024.

²⁷ See **Section five: Focus area 2: Engagement, consultation and communication** for review against this Performance Principle.

²⁸ See **Section six: Focus area 3: Investment decisions** for review against this Performance Principle.

²⁹ See **Section seven: Focus area 4: Cross-industry and cross-sector collaboration** for review against this Performance Principle.

³⁰ See **Section eight: Focus area 5: Governance, compliance and government alignment** for review against this Performance Principle.

to action recommendations from the 2021 review suggesting the development of relevant targets/measures in its AOP and the publishing of KPIs under the 2020 Evaluation Framework.

The 2021 recommendations have been addressed through the development of outcomes and success indicators attached to all seven priorities of the Strategic Plan 2020-2025. Progress against targets for the outcomes and success indicators, which effectively function as KPIs, were reported in the AOP and the annual Performance Reports. While beyond the scope of this review, Dairy Australia has also proactively sought to address these shortcomings under the incoming Strategic Plan 2030 to enable a higher level of stakeholder confidence.

4.2.4 Finding 1.4: External stakeholders are highly optimistic for the future of Dairy Australia under the incoming Strategic Plan 2030

Across the majority of stakeholder groups consulted, there was a consistent and strong sense of optimism for the future under the incoming Strategic Plan 2030, and under new organisational leadership. Stakeholders have supported the simplified strategic framework, the positioning of farm business profitability at the centre of the plan, and the strategic priority of increasing productivity through *Innovating for future success* as being highly aligned to the key priorities of the dairy industry. Further detail to the effectiveness of consultation for the Strategic Plan 2030 is provided in **Section five: Focus area 2: Engagement, consultation and communication**.

5 Focus area 2: Engagement, consultation and communication

Summary of findings:

- Finding 2.1 Engagement with levy payers and stakeholders has improved but remains inconsistent across regions and functions
- Finding 2.2: Levy payers are unclear about the scope and role of Dairy Australia in regional engagement, particularly related to the RDP Evolution pilot
- Finding 2.3: Consultation for the Strategic Plan 2030 was comprehensive, but feedback highlights areas for improvement
- Finding 2.4: Consultation processes demonstrate positive intent but require clearer feedback loops to show how stakeholder input influences decisions
- Finding 2.5: Dairy Australia has improved levy payer communication, but resource accessibility and demand for quality over quantity remain areas for improvement

5.1 Introduction

This section focuses on Dairy Australia's performance in engaging with levy payers, stakeholders, and other key groups through the review period, particularly in relation to its consultation and communication processes. It considers Dairy Australia's efforts in consulting stakeholders on the Strategic Plan 2025–2030 development and annual operational planning, as well as its engagement mechanisms with levy payers, RDP Boards, farmer organisations, reference groups, and government bodies. Finally, it reviews Dairy Australia's broader communication effectiveness with levy payers, including the dissemination of information and key outcomes. This section relates to the following Terms of Reference:

Table 5-1: *Relevant Terms of Reference, Focus area 2: Engagement consultation and communication*

Terms of Reference	Assessment criteria
1. Assess Dairy Australia's performance	e. Evaluate the effectiveness of communicating and engaging with dairy farmers
2. Assess the effectiveness of consultation with Dairy Australia's levy payers and members	a. Review consultation processes for the development of the Strategic Plan 2025 to 2030 b. Review consultation processes for annual plans and key areas of Dairy Australia operations c. Evaluate the effectiveness of organised groups for the purposes of consultation and priority setting (including farmer representative organisations, regional development programs) d. Evaluate the effectiveness of joint development forums, reference groups and projects (such as Dairy Moving Forward, the Trade Reference Group and the Productivity and Competitiveness project, respectively)

5.2 Findings

Key findings emerging through document review and consultation with internal and external stakeholders are outlined below.

5.2.1 Finding 2.1 Engagement with levy payers and stakeholders has improved but remains inconsistent across regions and functions

Stakeholders, including SDFOs, processors, and RDPs, have acknowledged significant improvements in Dairy Australia's communication and consultation efforts. These gains include extended touchpoints with processors, an increase in regional engagement activities such as strategic plan workshops, and effective issues management

communication during significant events (e.g., floods, drought, and disease outbreaks).³¹ The introduction of structured processes has also enhanced how levy payer input is incorporated into decision-making. Additionally, stakeholders positively cited tools such as regional situation reports for providing valuable insights into on-farm challenges specific to different regions.

However, despite these advancements, engagement remains inconsistent across regions. Stakeholders from certain areas reported less effective outreach, limited involvement, or reduced visibility of Dairy Australia's national initiatives at the local level. Concerns were raised regarding the need for streamlined structures, clearer engagement pathways, and more proactive, transparent communication about national efforts and upcoming projects to ensure equitable engagement across all regions. Group A member survey responses confirm that while communication has improved in some areas, farmers still feel engagement is inconsistent across regions, with some reporting limited visibility of national initiatives at the local level.

5.2.2 Finding 2.2: Levy payers are unclear about the scope and role of Dairy Australia in regional engagement, particularly related to the RDP Evolution pilot

Building on concerns about inconsistent engagement, stakeholders also highlighted a lack of clarity around Dairy Australia's scope and role in regional engagement, particularly in relation to the RDP Evolution pilot. This pilot is intended to align national and regional priorities more effectively and improve the delivery of services to farmers. Feedback from levy payers and RDP representatives revealed uncertainty about the relationship between Dairy Australia's national activities and the roles of RDPs at a regional level, with a specific need for greater transparency around the division of responsibilities.

Stakeholders expressed concerns about how localised decision-making and flexibility in regional service delivery would be maintained under the new model introduced through the pilot. Some feared the changes might lead to loss of regional autonomy and suggested clear communication was essential to preserving farmers' trust. Additionally, many levy payers were unaware of the pilot or its purpose, objectives, and progress, which has reinforced perceptions of a disconnection between Dairy Australia's RDP Evolution strategy and the specific needs of farmers at the local level. Across regions, stakeholders noted the need for consistent and accessible updates on the pilot's implementation, progress and potential outcomes to address these uncertainties and build credibility for the initiative.

Regional representation gaps also remain, as Dairy Australia's communication channels sometimes fail to adequately represent the full diversity of farmer voices and systems, like pasture-based and dryland farms, which require equally tailored consultation and communication strategies.

5.2.3 Finding 2.3: Consultation for the Strategic Plan 2030 was comprehensive, but feedback highlights areas for improvement

Stakeholders offered mixed feedback on Dairy Australia's consultation process for the Strategic Plan 2030, acknowledging its multi-channel engagement efforts while also highlighting areas for refinement. On the positive side, the process included in-person and virtual workshops, targeted surveys, farm engagement plans and structured feedback through the Regional Consultation Playback: Dairy Australia Strategic Plan 2030 report.^{32,33} The engagement of an independent facilitator was highlighted as a positive step in enhancing neutrality and transparency in the process. Stakeholders noted the inclusion of diverse participant groups across the eight dairy regions and recognised the effort to address region-specific priorities, farm business profitability and practical needs in the consultations. This approach was highly appreciated and well-received by a broad base of farmer stakeholders.

While acknowledging the Strategic Plan 2030 process as an uplifted approach to consultation, industry representative stakeholders held a more critical view, and emphasised the need for more structured and clearly defined roles for engagement and decision-making, better feedback loops to demonstrate how feedback was reflected in the strategic direction and draft plan, and a lack of timely and comprehensive documentation to enable meaningful participation.

Furthermore, while the regional consultations were broadly seen as beneficial for gathering insights on strategic themes like productivity, resilience, and sustainability, some stakeholders felt that these efforts were overly process-driven and lacked a clear mechanism for incorporating feedback into final decision-making. Stakeholder feedback highlighted the need for more detailed materials related to past strategic objectives, their KPIs, and their return on investment as part of the consultation process, to enable stakeholders to evaluate progress and provide informed input.

³¹ See **Appendix 1: Document register** for further detail to document groupings which have informed this finding.

³² Dairy Australia (2025), Regional Consultation Playback: Dairy Australia Strategic Plan 2030.

³³ See **Appendix 1: Document register** for further detail on stakeholder groups consulted during this process.

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5.2.4 Finding 2.4: Consultation processes demonstrate positive intent but require clearer feedback loops to show how stakeholder input influences decisions

Dairy Australia's consultation processes are underpinned by a structured and principles-based approach, aligning with DAFF's Best Practise Guide to Stakeholder Consultation. These processes aim to ensure transparency, accessibility, straightforward communication, responsive action and fit-for-purpose engagement. Consultation mechanisms currently include a mix of regional consultation through RDPs, national processes such as Dairy Moving Forward³⁴, industry reference groups and direct engagement with farmers and representative organisations. Feedback from these groups informs strategic and operational planning, with key tools like the Annual Operating Plan³⁵ and Strategic Plan designed with extensive stakeholder input to reflect shared priorities.

Dairy Moving Forward, as part of the National Primary Industries RD&E framework, offers one avenue for organised consultation, particularly on research, development and extension (RD&E) priorities. Similarly, industry reference groups and joint development forums, such as the Trade Reference Group³⁶ and Productivity and Competitiveness Project, involve collaborative industry consultation on priority issues like trade and operational efficiencies.

Despite this concerted effort, some stakeholders, including those from RDPs and representative bodies, have suggested there is a lack of clarity around how their input influences decision-making processes. While they recognise Dairy Australia's intent to be collaborative and transparent, concerns were raised about feedback loops, with many reporting limited visibility about how their contributions are incorporated into decisions or prioritisation processes. For example, during discussion tied to the Strategic Plan and Annual Operating Plan development, several participants expressed frustration about feeling that the process guided them toward predetermined conclusions rather than transparently showing how feedback had shaped decision outcomes.

In terms of approaches to consultation, the Stakeholder Consultation Plan provides a strong foundation, particularly through its emphasis on tailored engagement at both national and regional levels. Stakeholders confirmed the value of Dairy Australia's established mechanisms, including forums, workshops, webinars and surveys in providing opportunities to share perspectives. However, issues remain with inconsistencies in communication practises across regions and between different stakeholder groups, leading to perceptions of centralisation and disconnection in some areas. Stakeholders want more consistent, regionally adapted consultation and improved prioritisation of local and regional concerns. Some also requested enhancements to consultation protocols, such as clearer guidance before participation and simpler language when explaining research or complex programs. Group A survey insights reinforce this gap, as farmers indicated they often share feedback but rarely see clear evidence of how their input influences decisions, creating perceptions of tokenistic consultation.

Feedback loops in processes like the Levy Poll were seen as absent, with some farmers feeling that consultations were promotional rather than participatory. Stakeholders emphasised that engaging smaller regional players and grassroots voices authentically remains a critical area for improvement to rebuild trust and ensure decisions truly reflect levy payers' needs.

Overall, Dairy Australia is viewed as committed to consultation, yet stakeholders encouraged further efforts to close the loop on feedback by highlighting decisions and demonstrating how input has been weighted and incorporated. This would ensure stakeholders feel their contributions are valued and impactful.

5.2.5 Finding 2.5: Dairy Australia has improved levy payer communication, but resource accessibility and demand for quality over quantity remain areas for improvement

Dairy Australia's Farmer Communications Strategy (2024-2026) guides its communication with levy payers and aims to build awareness, consideration and trust in its services by demonstrating value through the voice of farmers and industry experts. This strategy builds on updates made during the review period, with iterations in 2020, 2021, 2022 and 2023. The strategy emphasises a multi-channel approach and aims to align communication across national and regional levels, focusing on the marketing mix of product, place, and promotion.

³⁴ Dairy Moving Forward is a joint initiative of the Australian dairy industry, involving Dairy Australia, ADF, the Gardiner Foundation, and five state government departments. Dairy Moving Forward informs and guides industry and government on the priorities required for Australian dairy research and development. To date, key outputs from Dairy Moving Forward include the Dairy Horizon Scan (2023) and the National Dairy Forages Strategy (2025).

³⁵ Dairy Australia's Annual Operating Plan sets out the range of services and activities to be delivered for the year in line with the strategic plan.

³⁶ Dairy Australia convenes a Trade Reference Group three times per year for updates to be shared on Dairy Australia's market development program, discussion of trade and market assessment. This includes representatives from dairy processors, trading companies, ADF, and the ADPF. Outputs from the Trade Reference Group are confidential due to discussion of sensitive policy issues.

Stakeholders acknowledged that Dairy Australia's multi-channel communication approach, including digital platforms, social media updates, regional meetings and rural media outreach, has enabled broader engagement with levy payers. Communications during critical scenarios such as extreme weather events and biosecurity breaches were noted as practical and impactful by ensuring timely and relevant updates. However, while these efforts represent progress, farmers highlighted a continued need for better-targeted communication that goes beyond general engagement to build understanding and support. Group A survey feedback highlights ongoing concerns about clarity and relevance, with farmers noting that while updates are frequent, they are not always easy to understand or directly applicable to their needs. At the same time, there are opportunities to strengthen communication by balancing frequency with more targeted, results oriented information, while reaffirming a focus on seasonal and regional relevance to support farmers ongoing business operations. Future communication should balance reduced volume with maintaining regional and seasonal relevance, while clearly demonstrating tangible outcomes that matter to farmers.

However, accessibility and content clarity remain areas in need of improvement, specifically:

- **Volume and relevance of communications:** A recurring theme in consultation was that of being inundated with too many emails and surveys, many of which felt repetitive or lacked direct relevance to their needs. Stakeholders emphasised the need for clear, concise and value-driven communication that prioritises content quality over quantity.
- **Website navigation and discoverability:** Levy payers and key organised groups, such as SDFOs, identified challenges in locating specific resources or reports on Dairy Australia's digital portals. Users often faced difficulty accessing older and region-specific information, and many suggested the need for simplified resource platforms with visual summaries (e.g., infographics or summary briefs).
- **Clarity on trade information for levy payers:** While trade updates are accessible to specific groups, many levy payers felt disconnected from Dairy Australia's trade-related efforts and expressed interest in receiving concise and targeted updates highlighting the impact of trade activities at the farm level.

6 Focus area 3: Investment decisions

Summary of findings:

- Finding 3.1: Dairy Australia's investment into RD&E activities have advanced sector knowledge but lack clear communication of outcomes to stakeholders
- Finding 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'
- Finding 3.3: Stakeholders identified opportunities to improve on-farm productivity and profitability by translating research into practical, on-farm applications
- Finding 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
- Finding 3.5: The adoption of economic evaluation frameworks strengthens Dairy Australia's ability to assess investment benefits but presents opportunities for refinement

6.1 Introduction

This section considers the effectiveness of investment decisions made by Dairy Australia in creating a balanced portfolio of investments, and the delivery of industry benefits attributable to Dairy Australia's investments. This section relates to the following Terms of Reference:

Table 6-1: Relevant Terms of Reference, Focus area 3: Investment decisions

Terms of Reference	Assessment criteria
3. Assess the effectiveness of investment decisions to create a balanced portfolio of investments	<ol style="list-style-type: none">Evaluate the use of economic assessment tools used before (ex-ante) and after (ex-post) investmentsEvaluate the use of non-economic assessments to inform investment decisions, such as for marketing decisionsEvaluate the profile of investments to address varying risk, investment horizons, and targets of profitability, productivity, competitiveness, and sustainabilityEvaluate recent initiatives to improve investment decisions, including the Horizon Scan, Investment Review Panel, Domain Roadmaps, and Value Pools.

6.2 Findings

Key findings emerging through document review and consultation with internal and external stakeholders are outlined below.

6.2.1 Finding 3.1: Dairy Australia's investment into RD&E activities have advanced sector knowledge but lack clear communication of outcomes to stakeholders

Dairy Australia is a key contributor to VDIA with Agriculture Victoria and the Gardiner Foundation, delivering the DairyBio and DairyFeedbase programs. DairyBio was established in 2016 as an investment into dairy bioscience across both pastures and dairy herds. The current phase of work, DairyBio21-26, is a five-year, \$51.6 million program. DairyFeedbase was launched as a separate program in 2017 and aims to provide solutions for feedbase management to improve on-farm profitability. The second phase of work for DairyFeedbase17-23 suggested a program budget of \$53.5 million at initiation. A further \$55.5 million has been committed to the VDIA Programs between FY2024 –2026 by Agriculture Victoria, the Gardiner Foundation, and Dairy Australia.³⁷

Stakeholders, including research partners, SDFOs and industry representative groups, and industry enablers, have raised concerns over the proportion of levy investments consumed by genomics-related research projects, which

³⁷ Dairy Australia, Gardiner Foundation, Agriculture Victoria (2023), VDIA Overview (Confidential)

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are often blue-sky, long-term and involve high-risk initiatives. Such projects, while pivotal, may face implementation barriers in Australia, may not translate directly into on-farm outputs, or may not have a path to market altogether. Stakeholders have noted that there is a lack of clarity on outcomes, farmer-level value, and clear adoption pathways – these projects could therefore have limited overall industry impact.

Benefits to this research have been acknowledged by stakeholders, including the knowledge of good science, a clearer understanding of unsuccessful research pathways, and an enabler for streamlined approaches to industry research. However, stakeholders suggest that these research outcomes are largely uncommunicated by Dairy Australia, resulting in members and levy payers being unsure of what research has been done and how levy funds have been used. Group A survey results support this finding, with farmers commenting that research outcomes are not consistently communicated in practical terms, leaving them unsure how investments translate into on-farm benefits.

6.2.2 Finding 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'

Dairy Australia's research investment portfolio includes significant long-term research and innovation partnerships, such as the DairyBio and DairyFeedbase programs under VDIA. Across FY21–FY25, strategic R&I programs represented approximately 21 per cent of total Dairy Australia's expenditure, indicating that long-term research forms an important but not dominant share of the organisation's overall investment profile. Within this, DairyBio and DairyFeedbase together accounted for 13.4 per cent of total expenditure in FY25. The mid-term review of DairyBio21-26 revealed that net benefits from the animal program, 'Future Cow', become apparent after 2031, and the net benefits of both DairyBio16-21 Phase 1 and DairyBio21-26's 'Future Forage' program become apparent from 2041.³⁸ While the extent of program outcomes are yet to be fully realised, an indication of future benefits from 'Future Cow' program have emerged following early on-farm adoptions. This has included increased reliability of the Survival, Heat Tolerance, and Feed Saved Australian Breeding Values, the introduction of a conception prediction tool, and a newly released Sustainability Index, which provides farmers with a weighted, multi-trait breeding index.^{39,40,41,42}

Internal consultation with Dairy Australia personnel indicated that while significant consideration was undertaken following the 2020-21 Review recommendations around a portfolio rebalance, results from internal reviews of strategy and risk profile are favourable to a continuation of the current division of investment between collaborative and stand-alone projects. Additionally, internal reviews have noted that long timeframe for investment payback and farmer adoption in agricultural research – particularly in genetics – is consistent against international research evidence and benchmarks.^{43,44}

However, consultation with research partners, SDFOs, and industry enablers highlight that many external stakeholders perceive Dairy Australia's investment portfolio as being overly weighted toward long-term, strategic investments. Despite recognition of the necessity of these initiatives for long-term industry growth, stakeholders noted a desire for greater focus on "quick wins" that offer tangible, short-term benefits for levy payers addressing current industry challenges. While internal financial analysis shows that many strategic investments do already deliver short-term industry benefits (often built into long-term initiatives, particularly in the animal research streams), this information may not be reaching key stakeholders.

6.2.3 Finding 3.3: Stakeholders identified opportunities to improve on-farm productivity and profitability by translating research into practical, on-farm applications

Stakeholders understand the importance of long-term research, and the nature of research. However, stakeholders have also pointed to the stagnation in productivity across dairy farms in Australia and the shrinking milk pool. In response to these factors, stakeholders highlight the necessity of national research efforts exploring productivity and profitability across a wider variety of farm systems. The need for broad coverage is highlighted where some

³⁸ Burdon, J., Dwyer, L., Banks, R., and Jefferies, S. (2024), DairyBio 2021-26 Mid Term Review (Confidential).

³⁹ DataGene (2025), Breeding for improved survival, Technote 4. Accessed 16 January 2026, Available at: <https://www.datagene.com.au/wp-content/uploads/2025/11/Technote-4-Survival-ABV.pdf>

⁴⁰ DataGene (2024), Heat Tolerance ABV, Technote 18. Accessed 16 January 2026, Available at: <https://www.datagene.com.au/wp-content/uploads/2023/11/Technote-18-Heat-Tolerance-ABV.pdf>.

⁴¹ DataGene (2025), Feed Saved ABV, Technote 3. Accessed 16 January 2025, Available at: <https://www.datagene.com.au/wp-content/uploads/2023/11/Technote-3-Feed-Saved-ABV-Dec-2020.pdf>.

⁴² DataGene (n.d.), Sustainability Index, *DataGene*. Accessed 16 January 2025. Available at: <https://www.datagene.com.au/genetics/indices-and-traits/si/>.

⁴³ Dairy Australia (2026), Findings and recommendations relating to portfolio investments/payback periods (Confidential)

⁴⁴ Pardey, P. G. and Alston, J. M. (2024), Unpacking the Agricultural Black Box: The Rise and Fall of American Farm Productivity Growth, Staff Paper Series, P24-03.

stakeholders have suggested that there is potential for further exploration around region-specific intensive farming systems, while others have specifically noted that national research efforts periodically felt disconnected from low-input and pasture-based farming needs, which remain an underutilised area.

Group A member survey results support this finding, with 43 per cent of respondents providing a neutral or dissatisfactory stance on whether tangible benefits have been provided to their farm business through Dairy Australia's investments. This issue is further acknowledged in the survey through farmer comments around the importance of relevant and beneficial research and extension activities to improve value provided to levy payers.

Further suggestions include collaboration with other RDCs. These opportunity areas are further explored in **Section seven: Focus area 4: Cross-industry and cross-sector collaboration.**

6.2.4 Finding 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

Consultation revealed mixed opinions from stakeholders on the extent to which Dairy Australia's research programs are relevant to and supporting their individual regional needs and priorities. This report acknowledges that the current investment balance may reflect the proportion of dairy farms located across Australia and may be dependent on external factors such as co-funding from state governments and regional research institutions.

Stakeholders observed that research and testing concentrated in the southern mainland may not be applicable to other regions and climatic environments. As such, stakeholders suggested that a broader spread of investment across different climates, regions, and states may allow for more applicable research findings for more farmers, and support improvements to productivity at a national level. This is supported by Group A member survey results, with farmers commenting on the need for research and extension delivery to be equitable across regions, states, and farm size.

6.2.5 Finding 3.5: The adoption of economic evaluation frameworks strengthens Dairy Australia's ability to assess investment benefits but presents opportunities for refinement

Dairy Australia has developed multiple economic evaluation tools and frameworks to guide the identification and funding decisions of potential investment opportunities. These include:

- The *Dairy Australia Evaluation Framework 2020-2025 (Evaluation Framework)*, which enables the impact and progress of investment decisions and research activities to be monitored against Dairy Australia's Strategic Plan.⁴⁵ The *Evaluation Framework* has been used to guide the development of Dairy Australia's annual Performance Report(s).
- Ex-ante pre-investment assessments, which are undertaken for all research and innovation (R&I) projects. Ex-ante assessments are undertaken prior to presentation for the Investment Review Panel (IRP) for approval. A high number of ex-ante assessments are undertaken annually with examples of these included below in Table 6-2.

Table 6-2 Ex-ante assessments

Financial Year	Ex-ante assessments
FY21	<ul style="list-style-type: none"> • Heifer Genomics Acceleration, and • Dairy Passport Transition (Project Change Request).
FY22	<ul style="list-style-type: none"> • Intensive Feeding Systems • Growing Beef from Dairy • Workforce Attraction Program, and • Improving Market Transparency.
FY23	<ul style="list-style-type: none"> • Enteric Methane Reduction • Dairy Farm Managers 2030 • Dairy Feedbase, and • Soils/Mixed Species Program.
FY24	<ul style="list-style-type: none"> • Rasing the Roof • Our Farm Our Plan (OFOP)

⁴⁵ Dairy Australia (2020), Dairy Australia Evaluation Framework 2020-2025.

Financial Year	Ex-ante assessments
	<ul style="list-style-type: none"> • Intensive Farm Systems • C4Milk • Workforce Attraction Program • Antimicrobial Resistance Project • Farm Environmental Tracker Development and Extension, and • Forage Value Index.
FY25	<ul style="list-style-type: none"> • Effluent – DLES • OFOP • Odour from Dairy Farms Systems Project • Feeding Pastures for Profit • Dairy Farm Business Analysis Refresh Project • DataConnect Project • Managing Farm Costs Project • Ruminant Acidosis and In-Feed Antimicrobials Project • Fall Army Worm Project • Dairy Capability Guide, and • the Climate Change Adaptation Project.

- (If applicable) Mid-term reviews, which are undertaken for all projects with a project timeline of over three years and valued over \$750,000. The mid-term review is delivered by a panel of independent external reviewers and is designed to deliver an assessment of whether the project is on-track to achieve target objectives. The mid-term review also provides an opportunity for any recommendations for improvement to be made and incorporated for the remainder of the project. Mid-term reviews have been conducted during the review period for the *C4Milk (Phase 3)*, *DairyBio16-21*, *DairyBio21-26*, and the *Forage Value Index* projects.
- Ex-post economic assessments, which are undertaken or reviewed by external consultants to determine the effectiveness and return on research investments. Up to four projects each year are selected for a complete ex-post assessment to be conducted. Ex-post assessments have been undertaken during the review period for six projects:
 - Improving Reproductive Performance Project
 - Market Information and Insights Project
 - DataGene
 - C4 Milk – Phase 3
 - OFOP
 - DairyBio16-21, and
 - the Forage Value Index Project.

Research partners and industry representative bodies have commended the introduction of these evaluation processes as an enabler of stronger decision-making around investment. These stakeholders also urge that future investment should continue to be underpinned by strong economic evaluation processes. This includes ex-post economic evaluation prior to funding renewals for long-term, major RD&E projects, and assessment of the extent to which programs are delivering tangible on-farm benefits.

Research partners have also suggested that there is opportunity to further strengthen these processes through the identification of market failures when identifying new research opportunities, ensuring responsible use of levy and government funds.⁴⁶

⁴⁶ 'Market failure' is an economic term referring to a situation where the free market fails to allocate resources efficiently, and opportunity exists for government intervention to improve outcomes for the community, the environment, businesses, and the economy. This definition has been drawn from the NSW Productivity and Equality Commission (2025), Market failure guide, Available at: https://www.productivity.nsw.gov.au/sites/default/files/2025-01/PUB17_509_Market_failure_guide.pdf.

7 Focus area 4: Cross-industry and cross-sector collaboration

Summary of findings:

- Finding 4.1: Dairy Australia has participated in a number of cross-industry and cross sector collaborations
- Finding 4.2: Cross-sector collaboration has delivered measurable benefits across key areas
- Finding 4.3: Limited visibility of Dairy Australia's collaborative work could hinder its ability to demonstrate value
- Finding 4.4: Stakeholders noted there could be increased collaboration with other RDCs on shared challenges
- Finding 4.5: The Australian Dairy Sustainability Framework is globally recognised but requires greater alignment and engagement
- Finding 4.6: The Australian Dairy Plan has supported more structured, ongoing collaboration between Dairy Australia and key industry bodies
- Finding 4.7: Increased collaboration across the supply chain could enhance shared marketing and post-farmgate value creation

7.1 Introduction

This section considers Dairy Australia's effectiveness in identifying, pursuing and realising cross-industry and cross-sector opportunities. It examines Dairy Australia's role as a convener of collaborative initiatives and assesses the tangible benefits delivered to levy payers through these efforts. Stakeholders consistently expressed a desire for more collaboration, particularly in areas such as climate adaptation, soil health and post-farmgate marketing. This feedback does not necessarily indicate a lack of activity but reflects limited awareness of existing initiatives and their outcomes. Improving visibility and communication of collaborative work is therefore as critical as expanding partnerships. Additionally, this section addresses stakeholders' perspectives on potential gaps in collaboration and Dairy Australia's visibility in partnership activities.

This section relates to the following Terms of Reference:

Table 7-1: Relevant Terms of Reference, Focus area 4: Cross-industry and cross sector collaboration

Terms of Reference	Assessment criteria
4. Assess the benefits that are realised from collaboration cross-industry and cross-sector	a. Evaluate the effectiveness of Dairy Australia's efforts to identify key cross-sectoral opportunities and priorities and collaborate with other Rural Development Corporations

7.2 Findings

Key findings emerging through document review and consultation with internal and external stakeholders are outlined below.

7.2.1 Finding 4.1: Dairy Australia has participated in a number of cross-industry and cross sector collaborations

Over the last five years, Dairy Australia has participated in a range of cross-industry and cross-sector collaborations to drive innovation, align with government priorities, and tackle shared industry challenges. Notable examples of Dairy Australia's leadership in such partnerships include:

- The CalfWays Roadmap, a partnership with Meat and Livestock Australia (MLA) and TasFarmers: CalfWays is a widely regarded model of effective cross-sector collaboration, demonstrating Dairy Australia's ability to

convene, align, and deliver on complex, multi-stakeholder objectives in partnership with the red meat industry.^{47, 48}

- The Smarter Irrigation for Profit Phase 2 (SIP2) initiative, a partnership with key research organisations including the Tasmanian Institute of Agriculture, Agriculture Victoria, University of Southern Queensland, and various dairy farmers across seven dairy regions: SIP2 highlights Dairy Australia's ability to lead and unite diverse stakeholders to address shared challenges. By fast-tracking the adoption of efficient irrigation practises and showcasing new technologies, SIP2 successfully delivered meaningful solutions to reduce water usage, close yield gaps, and improve on-farm profitability.⁴⁹

Additionally, Dairy Australia co-invests regularly with other RDCs and partners on both formal programs and multi-stakeholder initiatives. Examples include the Dairy Manufacturing Sustainability Council (DMSC), membership and funding provided to Agricultural Innovation Australia, funding research into virtual fencing technologies, nitrogen fertiliser efficiency, and trade-enhancing collaborations such as the Australian Food and Wine Collaboration. Several of these collaborations, as well as others, are further detailed in Table 7-2 below.

⁴⁷ Dairy Australia, Schuster Consulting Group (2025), CalfWays – Sustainable Dairy Calf Management Roadmap.

⁴⁸ Dairy Australia, TasFarmers, Schuster Consulting Group (2025), CalfWays Tasmanian Action Plan – Driving CalfWays forward in Tasmania.

⁴⁹ Dairy Australia (2023), Project Completion Report – Smarter Irrigation for Profit Phase 2 (SIP2) (Internal document).

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Table 7-2 Dairy Australia's cross-industry and cross-sector collaborations

Project	Description	Collaborator/s
Bioenergy	<ul style="list-style-type: none"> Explores bioenergy opportunities from animal waste, aiming to convert waste streams into renewable energy while addressing waste management, energy generation, and income generation. 	<ul style="list-style-type: none"> Domestic & Manufactured Sales Committee, ADPF, Australian Meat Processor Corporation (AMPC), Australian Pork Limited (APL), AgriFutures, Australian Alliance for Energy Productivity (A2EP), MLA, Sustainability Victori
RDC - Australian Food and Wine Collaborators Group (AFWCG)	<ul style="list-style-type: none"> In-market promotions showcasing "Team Australia" to increase demand in key markets like Korea and Southeast Asia for the Australian food and wine sector. 	<ul style="list-style-type: none"> MLA, Horticulture Innovation Australia Limited, Wine Australia, Dairy Australia, Seafood Industry Australia Limited
Dairy Sector Food Waste Action Plan	<ul style="list-style-type: none"> Identifies ten key actions to reduce food waste across the dairy supply chain, improving inventory systems, partnering with food rescue organizations, and using sustainable packaging. 	<ul style="list-style-type: none"> Dairy Australia, DMSC, ADPF, End Food Waste Australia, Sustainability Victoria
Australian Dairy Sustainable Packaging Roadmap	<ul style="list-style-type: none"> Outlines a strategy for improving the sustainability of dairy industry packaging in alignment with national packaging targets, developed in consultation with stakeholders 	<ul style="list-style-type: none"> Dairy Australia, DMSC, ADPF, Australian Packaging Covenant Organisation
Developing a Circular Economy for Silage Plastic	<ul style="list-style-type: none"> Dairy Australia worked with stakeholders to trial a system for responsible silage plastic disposal. A pilot in Western Victoria collected and recycled 70 tonnes of silage plastic from 90 farmers, aiming to develop a sustainable model. 	<ul style="list-style-type: none"> Dairy Australia, MLA, Recycling Victoria, Corangamite Shire Council, WestVic Dairy, Tama Oceania, Pro Pac Group, Plasback NZ, Olympic Polymers, Plastic Forests
Cross-RDC AI Alliance	<ul style="list-style-type: none"> Develops a coordinated cross-sector investment approach for AI in agriculture, fisheries, and forestry, positioning AI as a driver of innovation and resilience. 	<ul style="list-style-type: none"> All RDCs
Agricultural Innovation Australia	<ul style="list-style-type: none"> Builds opportunities for cross-sectoral initiatives that derive communal benefit and change across agriculture. 	<ul style="list-style-type: none"> All RDCs
Fall Army Worm	<ul style="list-style-type: none"> Establishes a nationally coordinated role to support research, grower communities, and RD&E gaps for a sustainable management approach to fall armyworm. 	<ul style="list-style-type: none"> Cotton Research and Development Corporation (CRDC), Dairy Australia, GRDC, Hort Innovation, AgriFutures
Dairy Moving Forward	<ul style="list-style-type: none"> Establishes industry-wide R&D priorities focused on improving profitability and productivity in the dairy sector. 	<ul style="list-style-type: none"> Dairy Australia, ADF, six state government departments

Project	Description	Collaborator/s
Cross RDC Communications	<ul style="list-style-type: none"> Promotes the value of RDC collaborations to highlight investments and benefits and showcases the collective contribution of RDCs to Australian agriculture. 	<ul style="list-style-type: none"> All RDCs
Soil Health Framework	<ul style="list-style-type: none"> Develops a national framework to monitor and improve soil health, enhancing productivity and sustainability in line with the Australian Dairy Sustainability Framework. 	<ul style="list-style-type: none"> Grains Research and Development Corporation (GRDC) (lead), CRDC, Dairy Australia, Australian Wool Innovation (AWI), Wine Australia, MLA, AgriFutures
Know Your Carbon Number	<ul style="list-style-type: none"> Helps farmers estimate, understand, and reduce their carbon footprint through tools like the Australian Dairy Carbon Calculator, emissions roadmap, workshops, and support programs. 	<ul style="list-style-type: none"> ADF, ADPF, processors, banks, food retailers, farmers
Farm Environmental Tracker	<ul style="list-style-type: none"> Supports sustainable resource management on farms by monitoring energy, water, and waste indicators, providing benchmarks and improvement opportunities via interactive workshops. 	<ul style="list-style-type: none"> Dairy Australia, Saputo
Exercise Laneway	<ul style="list-style-type: none"> Tests preparedness for emergency animal disease outbreaks, re-establishes response structures, and guides development of the Dairy Emergency Animal Disease Action Guide for biosecurity action. 	<ul style="list-style-type: none"> ADF, ADPF, Animal Health Australia, State Chief Veterinary Officers, SDFOs
Forage Value Index	<ul style="list-style-type: none"> Helps farmers select ryegrass cultivars to improve pasture productivity and farm profitability in support of land management and economic viability goals. 	<ul style="list-style-type: none"> Dairy Australia, DataGene, MLA, Pasture Trials Network
The Community Trust in Rural Industries (CTRI) Program	<ul style="list-style-type: none"> Tracks and builds public trust in Australia's rural industries through community engagement and research on public perceptions. 	<ul style="list-style-type: none"> AgriFutures, Australian Eggs, APL, CRDC, Dairy Australia, Fisheries Research and Development Corporation (FRDC), Sugar Research Australia (SRA), GRDC, LiveCorp, MLA, NSW DPIRD, National Farmers' Federation (NFF).
National Schools Food & Fibre Strategy	<ul style="list-style-type: none"> Focuses on expanding food and fibre education in primary and secondary schools to highlight the future of food security, sustainability, and agribusiness. 	<ul style="list-style-type: none"> 15 RDCs
The Emerging National Rural Issues (ENRI) program	<ul style="list-style-type: none"> Fosters collaboration across RDCs to address critical agricultural and forestry challenges through shared projects and multi-commodity research. 	<ul style="list-style-type: none"> All RDCs, DAFF, NFF, Agricultural Innovation Australia (AIA)
AgriFutures growAG	<ul style="list-style-type: none"> Provides a platform for Australian agrifood innovation, connecting startups, researchers, and entrepreneurs to tackle industry challenges and drive progress. 	<ul style="list-style-type: none"> All RDCs, DAFF

Project	Description	Collaborator/s
The RRnD4P project, Smarter Irrigation for Profit	<ul style="list-style-type: none"> Improves productivity, water efficiency, and sustainability in irrigation using advanced technologies and analytics, reducing water & energy use across various agricultural sectors. 	<ul style="list-style-type: none"> CRDC, Dairy Australia, GRDC, AgriFutures, SRA, Deakin University, Commonwealth Scientific and Industrial Research Organisation (CSIRO), Agriculture Victoria, GVIA, UniMelb, NSW DPIRD, University of Sydney, TIA, University of Southern Queensland
Cross RDC, Rural Safety and Health Alliance.	<ul style="list-style-type: none"> Funds projects like Ag Safety Data Net, which identifies lead indicators for farm-related injuries and fatalities to improve rural safety and wellbeing. 	<ul style="list-style-type: none"> GRDC, Australian Eggs, AWI, CRDC, APL, AgriFutures, Dairy Australia
Digital Innovation	<ul style="list-style-type: none"> Investment into digital tools and frameworks to enhance digital capability, data management, and innovation in Australian food, agriculture, and forestry sectors. 	<ul style="list-style-type: none"> CRDC, FRDC, Dairy Australia, SRA, AgriFutures, AWI, Wine Australia, Australian Eggs, APL, Hort Innovation, MLA, Griffith University, University of the Sunshine Coast, CSIRO, KPMG
Cross RDCs Extension Managers Cohort	<ul style="list-style-type: none"> Provides a platform for sharing knowledge and strategies among extension managers from multiple RDCs. 	<ul style="list-style-type: none"> All RDCs
Research for Impact	<ul style="list-style-type: none"> Implements frameworks to adopt an impact-driven RD&E approach, fostering stronger collaboration and improved project outcomes through coaching, forums, and stakeholder engagement. 	<ul style="list-style-type: none"> AgriFutures, CRDC, Dairy Australia, Drought and Innovation Hub, UniMelb, FRDC, GRDC, Hort Innovation, LiveCorp, NSW DPIRD, Wine Australia

7.2.2 Finding 4.2: Cross-sector collaboration has delivered measurable benefits across key areas

Cross-sector collaboration has enabled Dairy Australia to deliver significant benefits across productivity, workplace safety, animal welfare, trade, and sustainability. Through the SIP2 project, Dairy Australia achieved a 47 percent improvement in the Gross Productivity Water Use Index (tonnes of dry matter produced per megalitre of water used) across 10 dairy optimisation sites. This demonstrated the value of irrigation scheduling supported by soil-moisture monitoring technologies. Importantly, 91 percent of participating dairy farmers reported changes in practise, underlining the success of collaborative approaches such as farmer reference groups and on-farm trials, which enhanced confidence and adoption of innovative strategies.⁵⁰

Workplace health and safety outcomes have been improved through Dairy Australia's involvement in the Rural Safety & Health Alliance, which led to the development of practical tools for fatigue management and mobile plant safety protocols. These outcomes have contributed to safer working environments across rural industries.⁵¹ Additionally, the CalfWays Roadmap, developed in partnership with Meat & Livestock Australia, tackles pressing animal welfare concerns while creating economic opportunities. The roadmap aims to address the ADF policy phase out routine on-farm euthanasia by 2035 by ensuring every surplus dairy calf enters a profitable market chain. This effort not only aligns with high animal welfare standards but also supports broader sustainability and market goals.⁵²

Dairy Australia's collaborative trade efforts through the Australian Food & Wine Collaboration have delivered measurable success in expanding market access. More than 600 stakeholder engagements conducted during activations in South Korea, Thailand, and Vietnam enhanced the brand visibility of Australian dairy exports and opened new market opportunities.⁵³

7.2.3 Finding 4.3: Limited visibility of Dairy Australia's collaborative work could hinder its ability to demonstrate value

Stakeholders noted that while Dairy Australia is involved in several valuable partnerships, its extensive collaborative work is not always visible or well understood. This lack of awareness across both industry and partner organisations could limit its ability to articulate and demonstrate the full extent of its value. For example, while Dairy Australia's efforts in key programs such as CalfWays and SIP2 are widely regarded as successful, there is less visibility into the broader portfolio of cross-industry and cross-sector initiatives. Some stakeholders expressed a desire for a more transparent and accessible view of Dairy Australia's work to better highlight the returns from levy investments and co-funding partnerships.

Further, industry representative bodies noted they felt collaboration projects were slow to include key farmer bodies and stakeholders. An example of such was seen with the CalfWays project, which addressed broader industry policy, where dairy industry leaders were initially omitted, though later included after this issue was raised during program development.

7.2.4 Finding 4.4: Stakeholders noted there could be increased collaboration with other RDCs on shared challenges

While Dairy Australia has been an active collaborator with RDCs and other key partners, stakeholders identified specific domains where more proactive and expansive partnerships could unlock significant potential. Areas such as pastures, soil management, climate adaptation, and irrigation represent shared challenges that multiple industries face. Greater collaboration with RDCs like MLA and GRDC in these areas, as well as increased engagement with Cooperative Research Centres (CRCs), could accelerate progress and lead to scalable outcomes. Feedback from stakeholders also highlighted instances where invitations for Dairy Australia to join cross-RDC initiatives and working groups were not fully taken up, with some partners encouraging Dairy Australia to engage more proactively in such opportunities. Doing so would enable Dairy Australia to deepen its leadership role in tackling complex, cross-sector challenges.

While partnerships have been established with organisations such as MLA and GRDC, better communication structures with levy payers and farmer bodies, like ADF, can ensure improved alignment between collaborative projects and farmer priorities to leverage such partnerships effectively.

⁵⁰ Dairy Australia (2023), Project Completion Report – P272 Smarter Irrigation for Profit Phase 2 (SIP2) (Internal document).

⁵¹ Rural Research and Development Corporations (2024), R&D Impact Showcase (Internal document).

⁵² Dairy Australia, Schuster Consulting Group (2025), CalfWays – Sustainable Dairy Calf Management Roadmap.

⁵³ Rural Research and Development Corporations (2024), R&D Impact Showcase (Internal document).

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7.2.5 Finding 4.5: The Australian Dairy Sustainability Framework is globally recognised but requires greater alignment and engagement

The ADSF, established by the Australian Dairy Industry Council (ADIC) and supported operationally by Dairy Australia, is the central platform for reporting the industry's sustainability achievements. The framework is a pivotal tool demonstrating alignment with global sustainability standards, including the UN Sustainable Development Goals. It provides transparency about the industry's performance in four key commitment areas: enhancing livelihoods, improving well-being, providing the best care for animals, and reducing environmental impact. Regular reporting mechanisms have been developed to determine progress against the ADSF.^{54,55,56} Dairy Australia serves as the secretariat, funding the majority of the work required to maintain and develop the framework, collecting data, and driving progress on core ambitions while supporting the governance process through the Sustainability Steering Committee.

The 2024 ADSF Operational Review highlighted areas for refinement to ensure the framework remains fit-for-purpose and continues to deliver value across the dairy supply chain.⁵⁷ Stakeholders, while lauding the ADSF's status as a world-leading framework, called for greater alignment, clearer governance, improved communication, and more farmer and processor engagement. The absence of a formal mechanism for recalibrating goals and metrics to address emerging priorities was also flagged, with uneven representation in decision-making processes prompting calls for a restructured and more balanced Sustainability Steering Committee.

Furthermore, recent stakeholder insights consistently emphasise the need for the framework to better engage grassroots farmers, who often feel disconnected and uncertain about how its goals translate into practical, on-farm action. Feedback also indicated that processors, while recognising the ADSF's potential, often view it as a regulatory obligation rather than an industry-owned collaborative platform. Both groups called for clearer communication about the framework's tangible value and strategic benefits.

To respond to these insights, Dairy Australia has initiated several actions, including developing a cross-industry communication strategy and establishing new working groups to update sustainability goals and metrics based on the findings of the Double Materiality Assessment. These efforts aim to address gaps in communication, ensure metrics are effectively aligned with stakeholder needs, and strengthen collaboration across the supply chain.

7.2.6 Finding 4.6: The Australian Dairy Plan has supported more structured, ongoing collaboration between Dairy Australia and key industry bodies

The ADP was a joint initiative alongside the ADF, the ADPF, and the Gardiner Foundation. The ADP was launched in September 2020, with the aim of progressing five industry commitments around structural reform, people, marketing, business skills, and trust.⁵⁸ Stakeholders who played a key role in enabling the ADP suggested that the formation of the ADP and the mandate of regular, formal meetings have had positive flow-on effects for industry collaboration. This includes enabling a stronger culture for meetings between organisations' CEOs and board Chairs.

7.2.7 Finding 4.7: Increased collaboration across the supply chain could enhance shared marketing and post-farmgate value creation

Dairy Australia's collaborative approach offers unique opportunities to unite the dairy supply chain under shared objectives, particularly in post-farmgate marketing and promotion activities. While processors do not currently pay a levy into Dairy Australia, they have encouraged Dairy Australia to engage more in collective marketing efforts that benefit the broader industry, rather than leaving such activities solely to individual processors promoting their own brands. This feedback is aligned with Dairy Australia's internal marketing strategy, which is designed to amplify the value of Australian dairy holistically, fostering broader consumption and industry-wide recognition. Greater collaboration across the supply chain could help unlock further opportunities for shared benefit.

⁵⁴ Dairy Australia, Australian Dairy Sustainability Framework, Dairy Manufacturers Sustainability Council (2022), Environmental Scorecard 2020-21 – Working together for a sustainable future.

⁵⁵ Dairy Australia, Australian Dairy Products Federation, Australian Dairy Farmers, Australian Dairy Industry Council (2023), 2023 Sustainability Report.

⁵⁶ Dairy Australia, Australian Dairy Products Federation, Australian Dairy Farmers, Australian Dairy Industry Council (2025), 2024 Sustainability Scorecard.

⁵⁷ Seftons (2024), ADSF Operational Review – Insights Report.

⁵⁸ Australian Dairy Farmers, Australian Dairy Products Federation, Dairy Australia, and the Gardiner Foundation (2020), Australian Dairy Plan 2020-2025: Overview.

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8 Focus area 5: Governance, compliance and government alignment

Summary of findings:

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

8.1 Introduction

This section provides insights into Dairy Australia's governance, compliance, and alignment with government priorities during the review period. It highlights key findings on the organisation's structures, processes, and practises to ensure proper use and management of levy funds, compliance with applicable legal and statutory obligations, and alignment with broader government and industry priorities.

The findings outlined in this section provide an overview of how Dairy Australia's governance and compliance practises have supported effective decision-making, transparency, risk management, and stakeholder trust. It also identifies areas where there is an opportunity to enhance public confidence and further optimise alignment with industry and government expectations.

This section relates to the following Terms of Reference:

Table 8-1: Relevant Terms of Reference, Focus area 5: Governance, compliance and government alignment

Terms of Reference	Assessment criteria
5. Assess the effectiveness of governance and compliance	<ul style="list-style-type: none"> a. Review governance arrangements and practices to ensure they are fit for the proper use and management of levy funds. This includes appropriate planning, performance monitoring, reporting and independent audit certification b. Assess compliance with obligations set out in the relevant Acts and Regulations (e.g. Dairy Produce Act 1986, Primary Industries (Services) Levies Act 2024, Primary Industries Levies and Charges Disbursement Rules 2024) c. Assess compliance with obligations set out in the Statutory Funding Agreements (the Commonwealth and Dairy Australia are parties to these agreements)
6. Assess Dairy Australia's performance against government requirements, including the:	<ul style="list-style-type: none"> a. Five Performance Principles and associated Key Performance Indicators as described in the Statutory Funding Agreement and the Guidelines for Statutory Funding Agreements b. Best Practice Guide to Stakeholder Consultation c. RDC Knowledge Transfer and Commercialisation Guide d. Australia Government's RD&E priorities

8.2 Findings

Key findings emerging through document review and consultation with internal and external stakeholders are outlined below.

8.2.1 Finding 5.1: Dairy Australia has a strong compliance framework that reflects a leading approach to compliance

Dairy Australia has established a strong compliance framework, highly aligned with ISO 37301 standards, to ensure ongoing compliance with relevant legislation and the SFA. This framework comprises of a formal Compliance Management Policy and Procedure, an enterprise obligation register, quarterly attestations, irregularities reporting processes and defined roles across the 'three lines of defence' structure.⁵⁹

Dairy Australia's compliance practises are well-supported by clear escalation and reporting protocols involving the Audit and Risk Management Committee (ARMC) and the Board. Dairy Australia's responsiveness and timeliness in meeting SFA obligations and avoiding agri-political activity were positively noted by DAFF during annual performance reviews.⁶⁰ Dairy Australia was also recognised for its ability to deliver effectively on compliance requirements. However, DAFF highlighted the value of closing the loop on stakeholder feedback and providing clearer demonstrations of how stakeholder input translates into future actions, which remains a recurring area for improvement (refer to **Section five: Focus Area 2: Engagement, Consultation, and Communication**).⁶¹

Additionally, internal performance reports demonstrate that Dairy Australia meets the five Performance Principles and KPIs outlined in the SFA and related government guidelines.⁶² The integration of KPIs into the AOP and the Evaluation Framework further ensures that annual performance assessments align with long-term strategic goals under the 2020–2025 Strategic Plan. This integration between compliance and performance monitoring supports a strong control environment and demonstrates compliance with agreed standards. This is further supported by feedback from stakeholders who perceive Dairy Australia as having strong compliance and governance disciplines.

8.2.2 Finding 5.2: Governance structures enable mature and effective leadership but there are opportunities to address identified inefficiencies

Dairy Australia operates with a well-developed governance structure, which has enabled it to effectively manage and administer levy funds. The Board demonstrates maturity through its clear and transparent operations, guided by the Constitution⁶³, Board Charter⁶⁴, and Board Governance Policy⁶⁵. These policies define key delegations, roles, and responsibilities, providing accountability across its committees, including the ARMC and the People and Culture Committee. Recent improvements to streamline board materials and optimise how board meetings are structured have further enhanced decision-making efficiency, a significant recommendation from the 2021 Review.

Investment management is underpinned by the IRP Charter⁶⁶ and Project Ways of Working guidelines⁶⁷, which outline rigorous project lifecycle controls. Strategic alignment of these investments with short-, medium-, and long-term objectives is supported by the integration of Annual Operating Plans with the five-year outcomes of the Strategic Plan (2020-2025). Dairy Australia has also established robust mechanisms for tracking project and portfolio performance through platforms like Altus/QPR and regular internal monitoring of KPIs.

The Risk Management Policy⁶⁸ and supporting procedures⁶⁹ provide a systematic approach to monitoring and reporting risks in compliance with ISO 31000 standards. This framework encompasses regular risk reviews, control effectiveness testing, formal reporting to the ARMC, and integration of risk management with compliance oversight.

However, stakeholders raised some concerns about internal governance efficiency, pointing to perceptions of inefficiencies in decision making processes and manual bureaucratic processes within Dairy Australia. They highlighted the need for clearer role definitions and greater empowerment at the appropriate decision-making levels to reduce inefficiencies in day-to-day operations and strategic decision-making.

⁵⁹ Dairy Australia Compliance Management Procedure, 2022 & Dairy Australia Compliance Management Policy (2022).

⁶⁰ Consultation with DAFF, conducted on 11 November.

⁶¹ Consultation with DAFF, conducted on 11 November.

⁶² Statutory Funding Agreement Performance Principles and Key Performance Indicators, (2024).

⁶³ Constitution of Dairy Australia Limited, (2024).

⁶⁴ Dairy Australia Board Charter, (2025).

⁶⁵ Dairy Australia Board Governance Policy, (2024).

⁶⁶ Investment Review Panel (IRP) Charter, (n.d.)

⁶⁷ Project Ways of Working Guidelines, (n.d.)

⁶⁸ Risk Management Policy, (2022).

⁶⁹ Risk Management Procedure Version 13, (2022).

Furthermore, some stakeholders called for more clarity on the governance and operational aspects of the ADSF. While Dairy Australia is not responsible for strategic decisions such as Steering Committee membership, there may be operational issues that Dairy Australia could address to improve processes and communications. Suggestions included defining the boundaries between Dairy Australia's secretariat role and the Steering Committee's ownership and improving transparency in decision-making. Stakeholders also highlighted the need for better communication from the ADSF with the industry at large.

8.2.3 Finding 5.3: Dairy Australia demonstrates compliance and strong performance against SFA principles and KPIs

Dairy Australia's performance reporting demonstrates strong alignment with the SFA's five performance principles and associated KPIs. For example:

- Stakeholder engagement: Dairy Australia follows published consultation principles and plans that align with DAFF's Best Practice Guide to Stakeholder consultation.
- Balanced investment portfolio: Dairy Australia employs robust governance mechanisms, including the IRP Charter and project lifecycle controls, which enable strategic, transparent decision-making and targeted investments. Ex-ante and ex-post economic evaluation frameworks support investment approval and benefit realisation monitoring.
- Collaborations across sectors: Dairy Australia demonstrates strong leadership in fostering cross-sectoral collaboration, actively participating in cross-RDC projects and platforms. Stakeholders noted Dairy Australia's effectiveness in presenting coordinated industry views and credible outcomes, particularly in areas such as trade policy and sustainability frameworks.
- Monitoring, evaluation and reporting: The establishment of a revised Evaluation Framework in 2020 has enabled Dairy Australia to integrate long-term KPIs into short-term planning cycles. This alignment between the AOP and the Strategic Plan (2020-2025) enables tracking progress year-on-year and strengthens the link between planning and results. Dairy Australia's annual reports and quarterly reviews highlight compliance with agreed KPIs and formulate clear metrics to evaluate the success of its initiatives.

While Dairy Australia's compliance with the SFA and related KPIs is widely considered strong, some stakeholders highlighted gaps in transparently communicating how annual consultation feedback is integrated into subsequent actions. Stakeholders stressed the importance of linking consultation outcomes to results delivered over time, particularly when building trust in Dairy Australia's governance.

8.2.4 Finding 5.4: Dairy Australia aligns with government expectations and strategic RD&E priorities

Dairy Australia has embedded alignment with key government guidelines, specifically:

- Best Practice Guide to Stakeholder Consultation: Dairy Australia's consultation principles strongly align with the six required characteristics outlined in the guide, including transparency, accessibility, clear purpose, fit-for-purpose strategies, and responsiveness. Regional consultation activities have reflected these principles, aligning Dairy Australia's process with SFA expectations.
- RDC Knowledge Transfer and Commercialisation Guide: Dairy Australia has incorporated this guide as a tracked compliance obligation under the SFA, integrating its requirements into the governance framework and monitoring mechanisms.
- Australia Government RD&E priorities: Dairy Australia's RD&E planning and governance processes align with national scientific objectives, particularly in supporting priorities related to achieving net zero emissions, environmental sustainability, and resilience.

8.2.5 Finding 5.5: Opportunities exist to further strengthen transparency, independence, and stakeholder confidence

While Dairy Australia demonstrates robust governance and alignment with statutory and government requirements, stakeholder feedback highlights opportunities for greater transparency. Farmer confidence in levy funds management remains a challenge, with some stakeholders unsure about critical governance arrangements, investment rationales and resource allocation. Group A survey feedback reinforces this issue, as farmers expressed a desire for clearer reporting on how levy funds are allocated and the tangible outcomes delivered, noting that current information feels fragmented and difficult to interpret.

Stakeholders noted that access to program-level KPIs and evaluation mechanisms (ex-post or other methods) remains limited. Without the ability to consistently evaluate major projects' ROI, farmer confidence in Levy expenditure remains an ongoing concern.

Potential enhancements to build transparency and trust include:

- Publishing governance resources online in a consolidated, publicly accessible format
- Providing quarterly summaries of investment rationales, levy portfolio management and outcomes evaluations to provide clarity on how decisions align with stakeholder input and strategic priorities
- Enhancing feedback loops to ensure consultation participants receive structures reporting about how their feedback informed planning.

A Group B member also highlighted what they saw as major governance setbacks during critical events, like the Levy Poll process, where an apparent lack of independence in the advisory committee appointments undermined levy payers' confidence in Dairy Australia's governance, and the objectivity of the committee and its activities. Ensuring stronger independence in key governance structures and mechanisms, such as committees, is critical to maintaining trust.

9 Assessment and recommendations

This section provides a consolidated assessment of Dairy Australia's performance against the individual assessment criteria outlined in the Terms of Reference. The assessment was informed by evidence from the desktop review, internal and external stakeholder consultations in line with the review framework. Each criterion is evaluated using the performance rating scale introduced in **Section 2: Review approach**, and ratings align with the overarching strengths, weaknesses, and opportunities highlighted in the findings and is supported by cross-reference to relevant findings.

This section also incorporates corresponding recommendations designed to address identified gaps and priorities, ensuring a clear framework for Dairy Australia's future improvements and alignment with stakeholder expectations.

9.1 Overall Dairy Australia assessment

Across the review period, Dairy Australia has demonstrated progress in delivering on its Strategic Plan (2020–2025) and advancing key areas of industry development. Notable achievements include strong alignment with government priorities, effective collaboration in specific research domains, and strides in communications and engagement efforts with levy payers. However, some critical areas remain underdeveloped, including governance transparency, efficiency in internal processes and alignment of initiatives with regional and farmer-level priorities. Mixed progress against KPIs, coupled with stakeholder feedback, suggests a need for sharper focus in certain areas and more effective communication around achievements, resource allocation and decision-making processes.

Areas such as better alignment with stakeholder priorities, streamlined resource accessibility and a reassessment of Dairy Australia's focus and role were consistently raised by stakeholders as opportunities for growth. Importantly, the shift under the incoming Strategic Plan 2030 has been well-received and provides an opportunity for Dairy Australia to build on the strong foundation established during the review period. Clear metrics, enhanced transparency and prioritisation of critical investments will be key to ensuring sustained impact as Dairy Australia enters its next operational phase.

9.2 Detailed assessment against Terms of Reference

The following table provides a detailed assessment of Dairy Australia's performance against each criterion outlined in the Terms of Reference. It summarises the assessment criteria, inputs used, cross-references to relevant findings and the rating assigned based on evidence gathered during the review.

Table 9-1: Performance assessment against Terms of Reference

Terms of Reference	Assessment criteria	Rating	Rationale	Relevant finding/s
1. Assess Dairy Australia's performance	Evaluate delivery of outcomes from the Strategic Plan 2020 to 2025	Mature	<ul style="list-style-type: none"> Dairy Australia made significant progress on high-priority areas such as business planning and risk management, sustainability, social licence and trade policy across the review period. However, substantial gaps exist in priorities related to adaptability, innovations in technology, research adoption, and organisational responsiveness. 	1.1
	Evaluate industry benefits that can be attributed to investments by Dairy Australia	Developing	<ul style="list-style-type: none"> While long-term investments in RD&E projects have advanced knowledge and delivered early on-farm outcomes, evidence highlights insufficient communication of these benefits to stakeholders, contributing to the perception of limited on-farm impact. The investment portfolio was perceived as overly focused on longer-term, "blue-sky" research despite internal evidence of a balanced approach and the presence of practical short-term benefits embedded within strategic investments. 	3.1, 3.2, 3.4, 3.5
	Evaluate public and community benefits that can be attributed to investments by Dairy Australia	Mature	<ul style="list-style-type: none"> Achievements in sustainability (e.g., recognised success of the Australian Dairy Sustainability Framework), strong trade policy support, and strategic marketing have benefited broader community and public outcomes. Dairy Australia's support for the industry in maintaining its social license to operate is a key strength. 	1.1, 4.5
	Evaluate the effectiveness of advancing industry sustainability	Leading	<ul style="list-style-type: none"> Dairy Australia's efforts in sustainability are highly regarded by stakeholders, with its achievements setting benchmarks for the agricultural sector, particularly with the Australian Dairy 	1.1, 4.5

Terms of Reference	Assessment criteria	Rating	Rationale	Relevant finding/s
			<p>Sustainability Framework noted as a key strength.</p> <ul style="list-style-type: none"> • Clear alignment with Commonwealth Government priorities, such as net zero emissions goals. 	
	Evaluate the effectiveness of communicating and engaging with dairy farmers	Developing	<ul style="list-style-type: none"> • Engagement with levy payers has improved (e.g., Regional Services initiative, multi-channel approaches), and stakeholders recognise better communication during emergencies and trade policy challenges. • However, accessibility of resources, feedback mechanisms and clarity about Dairy Australia's role remain persistent challenges. • Despite broader reach and increased communication activity, farmers emphasised that the effectiveness of engagement is constrained by volume with a preference for quality over quantity. 	2.1, 2.2, 2.5
2. Assess the effectiveness of consultation with Dairy Australia's levy payers and members	Review consultation processes for the development of the Strategic Plan 2025 to 2030	Leading	<ul style="list-style-type: none"> • Structured, inclusive, and transparent processes were implemented. • Diverse participation and region-specific focus addressed a wide set of priorities. • Regional playback reporting showcased transparency and feedback loop integration. 	2.3
	Review consultation processes for annual plans and key areas of Dairy Australia operations	Developing	<ul style="list-style-type: none"> • While some progress was made with structured workshops, the lack of strong feedback loops meant many stakeholders were unclear about how their input informed decision-making. 	2.4
	Evaluate the effectiveness of organised groups for the purposes of consultation and priority setting (including farmer representative organisations, regional development programs)	Developing	<ul style="list-style-type: none"> • Groups such as RDP Boards and SDFOs play important roles in consultation, but stakeholders observed fragmented engagement and inconsistent alignment between regional and national priorities. 	2.2, 2.5
	Evaluate the effectiveness of joint development	Developing	<ul style="list-style-type: none"> • Collaborative forums like Dairy Moving Forward deliver value, but a lack of regular 	2.4, 4.1, 4.2

Terms of Reference	Assessment criteria	Rating	Rationale	Relevant finding/s
	forums, reference groups and projects (such as Dairy Moving Forward, the Trade Reference Group and the Productivity and Competitiveness project, respectively)		communications and visible outcome reporting limits full stakeholder engagement and trust.	
3. Assess the effectiveness of investment decisions to create a balanced portfolio of investments	Evaluate the use of economic assessment tools used before (ex-ante) and after (ex-post) investments	Mature	<ul style="list-style-type: none"> Dairy Australia leveraged economic assessment frameworks as part of its investment decision-making process, strengthening accountability and transparency. However, continued refinement in targeting areas of market failure is recommended. 	3.5
	Evaluate the use of non-economic assessments to inform investment decisions, such as for marketing decisions	Developing	<ul style="list-style-type: none"> Non-economic evaluation (e.g., marketing initiatives) remains limited and could be strengthened to ensure relevancy to broader stakeholder priorities and alignment with funding goals. 	3.2, 3.3
	Evaluate the profile of investments to address varying risk, investment horizons, and targets of profitability, productivity, competitiveness, and sustainability	Developing	<ul style="list-style-type: none"> Dairy Australia's portfolio is heavily weighted towards long-term research objectives, and stakeholders perceive gaps in shorter-term, region-specific and practical investment outcomes. 	3.1, 3.2, 3.4
	Evaluate recent initiatives to improve investment decisions, including the Horizon Scan, Investment Review Panel, Domain Roadmaps, and Value Pools.	Mature	<ul style="list-style-type: none"> Emerging initiatives such as the Horizon Scan and Value Pools provide added rigour in assessing investment processes. However, the impact of these recent changes is yet to be fully realised and demonstrated. 	3.5
4. Assess the benefits that are realised from collaboration cross-industry and cross-sector	Evaluate the effectiveness of Dairy Australia's efforts to identify key cross-sectoral opportunities and priorities and collaborate with other Rural Development Corporations	Mature	<ul style="list-style-type: none"> Dairy Australia has successfully implemented key projects, such as SIP2 and CalfWays, demonstrating value across multiple sectors and creating opportunities to address shared challenges. Visibility of collaboration outcomes at farmgate level remains low. There are opportunities to expand collaboration in sustainability, climate adaptation, and other critical areas. 	4.1, 4.2, 4.3, 4.4, 4.5

Terms of Reference	Assessment criteria	Rating	Rationale	Relevant finding/s
5. Assess the effectiveness of governance and compliance	Review governance arrangements and practices to ensure they are fit for the proper use and management of levy funds. This includes appropriate planning, performance monitoring, reporting and independent audit certification	Mature	<ul style="list-style-type: none"> Evidence of a robust governance framework, including the ARMC and Board oversight, ensures effective levy fund management and compliance. Stakeholders noted a lack of confidence in the independence of advisory committee appointments for critical processes, such as the Levy Poll processes. 	5.2, 5.5
	Assess compliance with obligations set out in the relevant Acts and Regulations (e.g. Dairy Produce Act 1986, Primary Industries (Services) Levies Act 2024, Primary Industries Levies and Charges Disbursement Rules 2024)	Leading	<ul style="list-style-type: none"> Dairy Australia adhered to all regulatory obligations, with strong mechanisms such as quarterly attestations, a formal compliance structure, and clear reporting processes, contributing to confidence in Dairy Australia's legal compliance. 	5.1
	Assess compliance with obligations set out in the Statutory Funding Agreements (the Commonwealth and Dairy Australia are parties to these agreements)	Leading	<ul style="list-style-type: none"> Comprehensive evidence from internal documentation and feedback demonstrate Dairy Australia's full alignment with SFA obligations and KPIs, with significant praise from government stakeholders. 	5.1, 5.3
6. Assess Dairy Australia's performance against government requirements, including the:	five Performance Principles and associated Key Performance Indicators as described in the Statutory Funding Agreement and the Guidelines for Statutory Funding Agreements	Leading	<ul style="list-style-type: none"> Dairy Australia demonstrates strong alignment with the five SFA Performance Principles. 	5.3, 5.4
	Best Practice Guide to Stakeholder Consultation	Mature	<ul style="list-style-type: none"> Dairy Australia's consultation processes align with the Best Practise Guide, particularly in terms of accessibility, inclusion, and transparency during major consultations. 	2.4, 5.5
	RDC Knowledge Transfer and Commercialisation Guide	Mature	<ul style="list-style-type: none"> Dairy Australia's investments and RD&E activities reflect key outcomes highlighted in the Knowledge Transfer and Commercialisation Guide, focusing on measurable impacts and shared industry benefit. 	5.4
	Australia Government's RD&E priorities	Mature	<ul style="list-style-type: none"> Strategic priorities and investments align with key Commonwealth Government priorities 	5.4

Terms of Reference	Assessment criteria	Rating	Rationale	Relevant finding/s
<p>7. Report on changes Dairy Australia has made since its previous Independent Performance Review to improve its efficiency and effectiveness and the benefits these changes have delivered.</p>		<p>Mature</p>	<ul style="list-style-type: none"> Dairy Australia has implemented significant organisational and operational changes since the 2021 Independent Performance Review, aimed at improving efficiency and effectiveness. Key improvements include the adoption of new business systems such as Salesforce optimisation, HRIS consolidation, and finance system upgrades, which have streamlined processes and enhanced data integrity. Governance enhancements, including clearer board delegations and improved board materials, have strengthened decision-making efficiency. The RDP Evolution pilot demonstrates efforts to modernise regional engagement and improve alignment between national and regional priorities. These changes have delivered measurable benefits, such as improved internal productivity, stronger compliance frameworks, and enhanced transparency in reporting. However, some initiatives remain in progress, such as refining farmer communication strategies and embedding cultural and process agility. 	<p>5.2, 5.5</p>
<p>8. Assess Dairy Australia's implementation and the effectiveness of actions taken to address feedback/recommendations from its previous Independent Performance Review, including actions listed in the Performance Review Response and Implementation Plan and a comparison with the previous Review's findings to identify what has/has not changed.</p>		<p>Mature</p>	<ul style="list-style-type: none"> Dairy Australia has demonstrated a high level of commitment to implementing recommendations from the 2021 Independent Performance Review, with most actions either completed or well advanced. While significant progress has been made, some recommendations, such as improving transparency in levy fund management and enhancing feedback loops in consultation, remain partially addressed. Overall, there has been strong progress with targeted areas for continued improvement. 	<p>2.1, 2.4, 3.1–3.6, 5.1–5.5</p>

9.3 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.

The overarching recommendation is to clarify and communicate Dairy Australia's role and remit to stakeholders, as confusion regarding the organisation's responsibilities, activities and intersections with other entities has consistently emerged across stakeholder feedback and findings. Further recommendations aim to focus on ensuring clarity and transparency in engagement and streamlining communication efforts to better demonstrate achievements and outcomes.

By implementing the recommendations outlined in the sections below, Dairy Australia can enhance its performance, sharpen its value proposition to stakeholders, ensure stronger alignment to strategic priorities and solidify its role as an essential partner in the dairy industry ecosystem.

Table 9-2: Review recommendations

Focus area	Recommendation	Priority
Focus area 1: Strategic performance	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
Focus area 2: Engagement, consultation and communication	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
Focus area 3: Investment decisions	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
Focus area 4: Cross-industry and cross-sector collaboration	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 5: Governance, compliance and government alignment	Increase transparency of governance decisions and levy fund management through regular public reporting, and ensuring independence in advisory committee appointments	Recommended
	Clarify governance arrangements for ADSF, including defining the boundaries of Dairy Australia's secretariat role, and improve	For

Focus area	Recommendation	Priority
	communication of decision-making processes	consideration
	Streamline internal processes and empower decision-making at appropriate levels to reduce inefficiencies	For consideration

10 Conclusion

Across the 2021–2025 review period, Dairy Australia has demonstrated meaningful progress in delivering on its strategic priorities and strengthening its governance and compliance frameworks. The organisation has achieved notable successes in areas such as sustainability leadership, trade policy support, and alignment with government RD&E priorities. These achievements reflect Dairy Australia’s commitment to advancing industry outcomes and maintaining compliance with statutory obligations.

However, the review also identified areas requiring continued focus. Stakeholder feedback highlighted opportunities to improve transparency in levy fund management, strengthen engagement and consultation processes, and rebalance investment portfolios to deliver more immediate, region-specific benefits alongside long-term research objectives. While governance structures and compliance systems are robust, operational efficiency and clarity of roles remain areas for refinement.

Importantly, Dairy Australia has acted on most recommendations from the previous Independent Performance Review, implementing significant organisational changes and introducing new frameworks to enhance decision-making and accountability. These efforts have delivered measurable benefits, including improved internal systems, streamlined governance processes, and stronger alignment with strategic and government priorities. Remaining gaps, such as feedback loops in consultation and visibility of collaborative work, represent opportunities for further improvement under the incoming Strategic Plan 2030.

Looking ahead, Dairy Australia is well-positioned to build on the foundations established during this review period. The Strategic Plan 2030 provides a clear framework for prioritising farm profitability, productivity, and sustainability. By addressing the recommendations outlined in this report, particularly those relating to transparency, engagement, and portfolio balance, Dairy Australia can strengthen its value proposition to levy payers and stakeholders, ensuring continued impact and confidence in its role as the industry’s national services body.

Appendix 1: Document register

Dairy Australia document register

The following documents have been provided by Dairy Australia to inform this performance review.

Table 0-1: Document register

Strategic Plans

Dairy Australia Strategic Plan 2020-25

Dairy Australia - Updates to Strategic Plan 2020-25

Dairy Australia Strategic Plan 2020-25 Progress Review (September 2023)

Strategic Plan 2030

Strategic Plan 2030 – Planning documents

These documents informed findings for the ToR relating to **Focus area 1: Strategic performance**.

Annual Reports

Dairy Australia - Annual Report 2020-21

Dairy Australia - Annual Report 2021-22

Dairy Australia - Annual Report 2022-23

Dairy Australia - Annual Report 2023-24

Dairy Australia – Annual Report 2024-25

These documents informed findings for the ToR relating to **Focus area 1: Strategic performance**.

Performance Reports

Dairy Australia Performance Report, 2020-21

Dairy Australia Performance Report, 2021-22

Dairy Australia Performance Report, 2022-23

Dairy Australia Performance Report, 2023-24

Dairy Australia Performance Report at a Glance, 2023-24

Dairy Australia Performance Report, 2024-25

Dairy Australia Internal Strategic Portfolio Report FY25 H2

These documents informed findings for the ToR relating to **Focus area 1: Strategic performance**.

Annual Operating Plans

Dairy Australia Annual Operating Plan, 2020-21

Dairy Australia Annual Operating Plan, 2021-22

Dairy Australia Annual Operating Plan, 2022-23

Dairy Australia Annual Operating Plan, 2023-24

Dairy Australia Annual Operating Plan, 2024-25

These documents informed findings for the ToR relating to **Focus area 1: Strategic performance**.

Evidence of stakeholder consultation during development of Dairy Australia strategic documents, projects, RD&E priorities, etc.

Documents detailing consultation and planning processes for Annual Operating Plans in FY25 and FY26

Documents regarding Exercise Laneway, including planning, agenda, participant workbooks, resources, and post-exercise reports.

Final reports for external surveys conducted by Dairy Australia, including the *Animal Husbandry Genetics Survey (2022)*, *Feedbase and Animal Nutrition Survey (2023)*, *National Dairy Farmer Survey Report (2023, 2024, 2025)*, *Farm Business Management Survey (2022, 2025)*, *Power of People – Learning and Capability Survey (2021, 2024)*, *Power of People – Workforce Survey (2024)*, *Strategic Portfolio Tracker (2022, 2024)*, *Land Water Carbon Survey (2020, 2023)*

Documents detailing engagement with large suppliers and top 40 producers, including workshops, networking events, accelerator programs, and Large Supplier Annual Forum meeting materials

Documents detailing consultation and engagement with stakeholders for RD&E projects, including the *Artificial Insemination Simulation Education*, the *Dairy Capability Framework*, the *Digging Deeper: A Day on Soil & Science workshop*, the *Dairy Manure Summit (2024)*, the *Workforce Attraction* program, and *Grounds for Growth*. Documentation was also provided detailing stakeholder engagement through consultation, technical committees, project committees, and executive management committees for *DairyBio* and *DairyFeedbase*.

In Focus Report 2024: The Australian Dairy Industry

Situation and Outlook: May 2024

Situation and Outlook: December 2024

Situation and Outlook: Mid-year 2025

Case Study: Issues Management During Flood and Drought Events

Situation & Outlook Reports and In Focus

Extensive documents detailing approach to consultation with stakeholders for the *Strategic Plan 2030*, such as consultation materials, correspondence, briefing guides, for the ADF, ADPF, government stakeholders, Dairy Australia personnel, large suppliers, and RDPs.

Regional Consultation Playback: Dairy Australia Strategic Plan 2030

Outputs from Dairy Australia joint development forums and reference groups, incl. Dairy Moving Forward, the Trade Reference Group, and the Productivity and Competitiveness project

Documents relating to outputs from collaboration through the ADSF, including the *ADSF Operational Review (2024)*, *Animal Care Commitment Review – Consultation Report (2024)*, the *2024 Dairy Industry Materiality Assessment* findings report (2024), documentation detailing future intent to develop an animal care assessment program for the Australian dairy industry, and briefing papers for virtual fencing and herding.

Documentation relating to collaboration through *Dairy Moving Forward*, including the terms of reference for the Dairy Moving Forward steering

These documents informed findings for the ToR relating to **Focus area 2: Engagement, consultation and communication.**

These documents informed findings for the ToR relating to **Focus area 1: Strategic performance** and **Focus area 4: Cross-industry and cross-sector collaboration.**

committee, meeting minutes, agendas, and pre-reads, and outputs such as the *National RD&E Strategy for Intensive Dairy Production Systems (2025)*, and the *National Dairy Forages R&D Strategy (2025)*.

Documents and outputs relating to the Manufacturing & Sustainability Reference Group, including the *Australian Dairy Sustainable Packaging Roadmap to 2025 (2021)*, *Dairy sector food waste action plan* progress and wrap-up reports (2023, 2024), research outputs, and public consultation responses.

Documents and outputs relating to the Nutrition Reference Group, including meeting minutes, agendas, and materials, and public consultation responses.

Documents relating to collaboration through the Trade Reference Group, including meeting minutes, agendas, and materials.

Chris Olszack and Susie Mills, *The Ricardo Group (2025)*, Impact of water buyback on the SMDB Dairy Industry: Potential impacts for dairy farms, processors and suppliers. Developed for Dairy Australia.

Sustainable Dairy Policy Submission Catalogue

Documentation detailing ex-ante and ex-poste economic and non-economic assessments conducted for Dairy Australia investment decisions

Ex-ante – documents submitted to the IRP from 2020-25, business cases and ex-ante reviews for *DairyBio21-26*, *DairyFeedbase17-23*, and *DairyFeedbase23-28*, Dairy Australia’s ex-ante template, and the *Pre-Investment Assessment Quick Reference Guide (2022)*.

Ex-post – Final BCA models & final reports, including for: *DairyBio16-21*, *Forage Value Index (2021)*, *Market Information and Insights (2021)*, *Improving Reproductive Performance (2022)*, *DataGene (2023)*, *C4Milk (2024)*, *Our Farm, Our Plan (2024)*.

Example of approach to re-investment for DataGene, including Board Papers, a Project Initiation Request, and a program cost-benefit analysis.

Documentation of mid-term reviews of investments, including for: *C4Milk (2021)*, *Forage Value Index (2022)*

Dairy Australia Evaluation Framework 2020-2025

Documentation of Dairy Australia investment profile (including Investment Review Panel & Value Pools)

Documentation relating to the IRP process, including interim working group recommendations, templates for submission to IRP, including the *Program Initiation Request*, *Project Change Request*, and others, and the IRP process workflow.

Documentation relating to the Value Pools, including the briefing packs and draft working documents.

VDIA Overview (November 2023)

Findings and recommendations relating to portfolio investments/payback periods (2026)

These documents informed findings for the ToR relating to **Focus area 3: Investment decisions** and **Focus area 4: Cross-industry and cross-sector collaboration**.

These documents informed findings for the ToR relating to **Focus area 3: Investment decisions**.

Reports and outputs from Dairy Australia initiatives (e.g., Horizon scan, Domain Roadmaps)

Domain Roadmaps, including the *People Team Strategy 2025-2030*, and the domain strategies for: *Animals & Milking, Climate and Environment, Farm Business Performance, Feedbase and Nutrition, Soils and Water*.

2023 Dairy Horizon Scan

These documents informed findings for the ToR relating to **Focus area 3: Investment decisions**.

Dairy Australia targets for profitability, productivity, competitiveness, and sustainability

Documentation around the *Dairy Productivity and Competitiveness Project*, including the: *Project Plan (2024), National Forum materials (2024)*, board paper, and project report.

Documentation around Dairy Productivity projects, including the *Dairy Productivity – FINAL REPORT (2022)* and summary, *International Dairy Productivity Report and Webinar (2025)*, and videos relating to the *Dairy Productivity Forum* sessions.

These documents informed findings for the ToR relating to **Focus area 1: Strategic performance** and **Focus area 3: Investment decisions**.

Documents developed relating to reporting and progress against the Australian Dairy Sustainability Framework, including the: *Australian Dairy Industry Sustainability Report (2020, 2021, 2023), Dairy Manufacturers Sustainability Council: Environmental Scorecard (2019-20, 2020-21), 2024 Dairy Industry Materiality Assessment (2024), ADSF Operational Review: Insights Report (2024), Australian Dairy Sustainability Framework: 2024 Sustainability Scorecard (2025)*

Documentation of collaborative projects & outputs (including RDC)

Selected meeting minutes for Chairs and CEOs in the Council of RDCs.

Quarterly Dashboard Reports for Dairy Australia's performance during the review period.

These documents informed findings for the ToR relating to **Focus area 4: Cross-industry and cross-sector collaboration**.

Documents relating to the *Raising the Roof* event, which focuses on intensive farm systems, including event information and the Project Completion Report.

Documentation detailing collaboration with other RDCs under the *Australian Food and Wine – Collaboration Group: Market Expansion Initiative*, including key achievements, a Work Plan Progress Report, and the collaboration agreement.

Outputs of the CalfWays program delivered in collaboration with MLA, including: *CalfWays – Sustainable Dairy Calf Management Roadmap to 2035*, and *CalfWays Tasmanian Action Plan – Driving CalfWays forward in Tasmania*

Evidence of communication and collaboration with other RDCs, including involvement in the joint RDC Artificial Intelligence Alliance Workgroup, discussion ENRI activity, and materials for the *R&D Impact Showcase (2024)*.

Documentation relating to the *Smarter Irrigation for Profit Phase 2 (SIP2)* project in collaboration with various RDCs and research institutes, including the Project Completion Report and the Program Management Agreement.

Organisational governance & compliance documents & reports Charters, board policies, audit and risk plans, governance reports, audit reports

AGM Papers & Minutes (2020, 2021, 2022, 2023, 2024)

Board Policies, including the: *Board Diversity Policy, Board Governance Policy, Independence of Directors Policy.*

Dairy Australia Charters, including the: *Board Charter, Board Selection Committee Charter, Audit & Risk Management Committee Charter, Investment Review Panel Charter, People and Culture Committee Charter.*

Quarterly risk & compliance reports for FY2024-25.

Miscellaneous organisational documents, including the: *Dairy Australia Constitution, Board Director Letter of Appointment template, Board Skills Matrix*, board rotational schedule, and confidential documents including the register of interests for Board Directors.

Documents relating to *People and Culture*, including Dairy Australia's Organisation Chart, and the: *Standard Employment Agreement, End-of-year reviews performance appraisal guide*, and the employee engagement survey and survey results (2020).

Project Management Office documents, including the: *Project Ways of Working Guidelines* and the *Project & Service Lifecycle*.

Risk and compliance policies and procedures, including: *Compliance Management Policy, Compliance Management Procedure, Risk Management Policy, Risk Management Procedure.*

Submissions by Dairy Australia and the ADF to the *Strategic Examination of Australia's R&D Panel*, conducted on behalf of the Commonwealth.

Statutory Funding Agreement & Guidelines for Statutory Funding Agreements

DAWE and Dairy Australia Statutory Funding Contract 2017-21

DAWE and Dairy Australia Statutory Funding Contract 2021-2031

DAFF and Dairy Australia Statutory Funding Agreement 2025-2034

Statutory Funding Agreement Performance Principles and Key Performance Indicators 2024

These documents informed findings for the ToR relating to **Focus area 5: Governance, compliance and government alignment.**

These documents informed findings for the ToR relating to **Focus area 5: Governance, compliance and government alignment.**

Best Practice Guide to Stakeholder Consultation

Best Practice Guide to Stakeholder Consultation - Dairy Australia

These documents informed findings for the ToR relating to **Focus area 2: Engagement, consultation and communication.**

RDC Knowledge Transfer and Commercialisation Guide

RDC Knowledge Transfer and Commercialisation Guide 2021

These documents informed findings for the ToR relating to **Focus area 5: Governance, compliance and government alignment.**

Australian Government's RD&E priorities

Australia's National Science and Research Priorities (2024)

Evidence of communication with DAFF confirming the Australian Government RD&E priorities

These documents informed findings for the ToR relating to **Focus area 5: Governance, compliance and government alignment.**

Performance Review Response and Implementation Plan developed in response to the 2021 Independent Performance Review

Dairy Australia Independent Performance Review 2020-21

Documentation detailing Dairy Australia's action plan for implementation of recommendations in the Independent Performance Review 2020-21, including the board agenda item, and the draft document *Dairy Australia Response to Findings of Independent Performance Review (March 2021) – Draft*.

Summary document summarising Dairy Australia's response against the recommendations from the Independent Performance Review 2020-21

These documents informed findings for the ToR relating to the **Response to the 2021 Performance Review.**

Evidence of efficiencies gained from improvements to business systems within Dairy Australia

Salesforce Optimisation & Efficiencies – Roadmap & Adoption Metrics

Document outlining organisational productivity gains from technology upgrades undertaken during the review period.

These documents informed findings for the ToR relating to the **Response to the 2021 Performance Review.**

Evidence of Dairy Australia engagement with the Australian Dairy Plan

A new national organisation for the Australian dairy industry – Report by the Joint Transition Team to the Australian Dairy Plan Committee (2020)

Australian Dairy Plan 2020-25

Australian Dairy Plan 2020-25 – Overview

Appendix A – Growth Scenarios Paper (2020)

Appendix B – Australian Dairy Situation Analysis (2019)

Appendix C – Report on the key themes from stakeholder engagements (2019)

Appendix D – National Workshop: Summary of Workshop Outputs (2019)

Appendix E – Key Directions Statement (2019)

Appendix F – Measurement of profitability on Australian dairy farm: Historical trends and future targets (2020)

Appendix G – Summary of Industry Feedback on the draft Australian Dairy Plan (2020)

Achieving the Australian Dairy Plan: The first annual update – Summary, October 2020 – September 2021

These documents informed findings for the ToR relating to **Focus area 2: Engagement, consultation and communication.**

Evidence of communications and marketing to Dairy Australia members around dairy reform and the Australian Dairy Plan

Farmer-facing flyer – *Dairy organisational reform*

The Australian Dairy Plan Committee Chairs' Statement (2023)

Summary sheet – *Dairy industry reform key messages*

Summary sheet – *Dairy industry reform Q&A*

Evidence of communications, marketing, and engagement with farmers to demonstrate Dairy Australia investment benefits and alignment to regional priorities

Documents relating to community marketing for dairy, website and social media strategies and performance analytics, and workforce attraction research and marketing.

Documents relating to farmer communications, including annual updates to farmer communications strategies, internal communications guides, campaign plans, and evaluation of communications campaigns.

Documents relating to Dairy Australia's brand and services, including *Brand Visual Identity Guidelines* for both Dairy Australia and RDPs, *Writing style guide*, *Social media guidelines*, *Services guidelines* and services brochures, and *Imagery and video guidelines*.

Documents relating to digital content and digital experience strategies and deliverables.

Marketing & Communications Contact Card, including contact details for Marketing & Communications team members.

Examples of Dairy Australia's communication plans and briefs, including the: *Leveraging the fractures trial to communicate to older Australians* brief, *National Forages Strategy* communications plan, and the *Raising the Roof 2024 Communications topline approach*.

Documents presenting an overview and updates to Dairy Australia's *Service Lifecycle*.

Evidence of Dairy Australia engagement with Regional Development Programs

Farmer Services Strategy – *Aligning on the way forward*

Farm Engagement 2-year Progress Report (2025)

Practice Guide – *Development & Regional Adaptation (2025)*

Briefing papers detailing changes to the RDP system

Other documentation

Dairy Australia Trade Program – *Strategy Discussion Paper*

Sustainable Dairy – *CEO Briefing Pack*

Employee Value Proposition – *Project Overview (2025)*

Annual Investment Plan 2025-26

Overview of Dairy Australia's *Evaluation Framework (2023)*

FY25 Annual Operating Plan planning documents

These documents informed findings for the ToR relating to **Focus area 2: Engagement, consultation and communication.**

These documents informed findings for the ToR relating to **Focus area 1: Strategic performance** and **Focus area 2: Engagement, consultation and communication.**

These documents informed findings for the ToR relating to **Focus area 2: Engagement, consultation and communication.**

These documents informed findings for the ToR relating to **Focus area 1: Strategic performance**, **Focus area 3: Investment decisions**, and **Focus area 5: Governance, compliance and government alignment.**

National Forages R&D Strategy – DA Board Update (2025)

Dairy Australia Domain Priorities (2025)

Regional Services Service Delivery Plans 2025, including for: *Pasture Fundamentals, Irrigation Management, First 100 Days in Milk, Fertsmart, Disbudding Best Practice.*

Strategic documents relating to the Regional Services, including: *Regional Services 2.0, Regional Services Business Unit – Strategy, Dairy Australia’s Extension Strategy* document and June 2025 update, *Farm Engagement Delivery Plan FY2026*

FY25 H2 Strategic Portfolio Report – 2020-25 Strategic Plan

Sustainable Dairy Stakeholder Evaluation Survey 2025 – Summary of results

Blackhall and Pearl (2024), Dairy Australia Board Performance Review Report

Board papers (April, May, June 2025)

May 2025 ARMC meeting papers

August 2025 ARMC meeting papers

Appendix 2: Stakeholder consultation

Internal stakeholders consulted

Stakeholder Group	Participants
People and Culture	General Manager, Payroll Lead, Senior People & Culture Business Partner.
Research and Innovation	General Manager, Head of Research Investments, Head of Operations, General Manager – VDIA, Head of Industry Talent & Capability, Head of Innovation, Head of Economics, Data & Insights, Principal Scientist, Senior Project Manage – Corporate Services
Corporate Services	Chief Financial Officer, Head of Strategy & Planning, Head of Projects & Delivery, Head of Risk & Compliance, Finance Manager, Executive Assistant.
Marketing and Communications	General Manager, Head of Experience, Head of Marketing, Head of Communications.
Regional Services	General Manager.
Dairy Australia Board (Governance and Risk focus)	Chair – Dairy Australia Board, Chair – Audit and Risk Management Committee.

Internal stakeholder guides

Stakeholder group	Discussion questions
People and Culture	<ul style="list-style-type: none"> • What is the scope of work for People and Culture? What key roles and activities does this include? • What progress has been made on implementation of the Salesforce Optimisation and Efficiencies roadmap? <ul style="list-style-type: none"> – Were there any changes to the planned activities, planned timeline, or expected outcomes? • A number of technology-driven productivity gains have been noted in the documentation provided for review. Have any other key organisational changes to company systems and processes been made since the previous Independent Performance Review? <ul style="list-style-type: none"> – If yes, what changes have been made, and how have they been monitored? What impact has there been on efficiency and effectiveness? • How has Dairy Australia’s leadership team monitored and optimised the development and implementation of company systems and processes for improvements to the balance of rigour and responsiveness? • What flow-on impacts have internal improvements had on Dairy Australia’s broader operations? Are there any observable benefits to industry, the community, and the Australia public? • What are the key priority issues and challenges for People and Culture that need to be addressed in the next five years? Are there any emerging issues or challenges that may arise in the future?

Stakeholder group	Discussion questions
Research and Innovation	<ul style="list-style-type: none"> • What is the scope of work for Research and Innovation? What key roles and activities does this include? • What role does stakeholder consultation play at each stage of the RD&E process? • What is the process for RD&E from the identification of potential projects through to their implementation and completion? How, and at which stages, do initiatives such as the Investment Review Panel, Domain Roadmaps, and Value Pools contribute? • How have identified opportunities and RD&E needs from the Horizon Scan impacted Dairy Australia's RD&E activities? • What qualitative and quantitative benefits have collaborative projects created for the dairy industry? • Dairy Australia's research and investment activities align with Australian Government RD&E priorities such as <i>Priority 1: Transitioning to a net zero future</i> and addressing food security and biosecurity for <i>Priority 5: Building a secure and resilient nation</i>. Are there additional alignments with other government priorities in past, current, or upcoming projects? • How are regional RD&E priorities integrated and aligned with Dairy Australia's overarching RD&E priorities? • What is the current balance between RD&E activities funded through long-term partnerships and those supported by stand-alone funding arrangements? • What are the key priority issues and challenges for Research and Innovation that need to be addressed in the next five years? Are there any emerging issues or challenges that may arise in the future?
Corporate Services	<ul style="list-style-type: none"> • What is the scope of work for Corporate Services? What key roles and activities does this include? • Noting that the joint delivery of the Australian Dairy Plan was led externally, how has the Dairy Australia Board and MD monitored and managed Dairy Australia's engagement in the Australian Dairy Plan? • Stakeholder consultation has been noted in the developed of key strategic documents such as the Annual Operating Plans and the Strategic Plan 2030. What is the process for consultation with regional stakeholders? How do consultation insights inform final strategic documents? • What is the process for RD&E from the identification of potential projects through to their implementation and completion? How, and at which stages, do initiatives such as the Investment Review Panel, Domain Roadmaps, and Value Pools contribute? • How have identified opportunities and RD&E needs from the Horizon Scan impacted Dairy Australia's RD&E activities? • What are the governance arrangements and practices for the use and management of levy funds? To what extent are these aligned with best practice for fund use and management? • How have new business systems and processes have been implemented as business as usual? What impact or improvements have been observed in internal operations? • What are the key priority issues and challenges for Corporate Services that need to be addressed in the next five years? Are there any emerging issues or challenges that may arise in the future?
Marketing and Communications	<ul style="list-style-type: none"> • What is the scope of work for Marketing and Communications? What key roles and activities does this include? • How has Dairy Australia ensured that communication around Dairy Reform remains consistent after the completion in 2021/22? For example, are there ongoing updates being shared with stakeholders and farmers about these reforms?

Stakeholder group

Discussion questions

- The Dairy Australia response highlighted that the President of ADF is the most appropriate spokesperson on reform matters. From Dairy Australia's perspective, has this approach been effective in delivering consistent, clear and transparent communications about industry reform to stakeholders? Has any adjustment been made to this framework since 2021?
- The Annual Performance Tracker Survey is cited as the tool used to measure the effectiveness of communication efforts with Levy payers. Could you share key findings of the survey, particularly regarding how levy payers perceive Dairy Australia's communication? Have there been areas of improvement or persistent challenges indicated by these results?
- One of the commitments is to share information with less engaged or critical levy payers. Could you elaborate on how Dairy Australia has tailored its communication strategies to specifically target this group? Are there any metrics or feedback mechanisms to measure the success of these efforts?
- The "Delivering for Dairy" campaign was designed to differentiate Dairy Australia's communication efforts and reinforce its value. What outcomes, such as farmer awareness, engagement levels, or feedback, have resulted from this focused communication approach?
- While the report mentions that actions have been completed for 2021/22 and plans are in place, it is unclear how progress has been tracked and measured. Do you believe the efforts to date (e.g., regional visits, communications strategy, survey results) align with the original intent of maintaining a "high level of attention and effort"? Why or why not?
- Could you outline the mechanisms in place to regularly gather and respond to farmer feedback (e.g., surveys, forums)? Is there a process to ensure this feedback directly influences communication strategies on an ongoing basis?
- How are best practice guidelines used when undertaking stakeholder consultation?
- What are the key priority issues and challenges for Marketing and Communications that need to be addressed in the next five years? Are there any emerging issues or challenges that may arise in the future?

Regional Services

- What is the scope of work for Regional Services? What key roles and activities does this include?
- Stakeholder consultation has been noted in the developed of key strategic documents such as the Annual Operating Plans and the Strategic Plan 2030. What is the process for consultation with regional stakeholders? How do consultation insights inform final strategic documents?
- What are regional RD&E priorities that have emerged from consultation/engagement through RDPs? To what extent do these align to broader Dairy Australia & Australian Government RD&E priorities?
- We understand that there has been a change to the structure and operational processes of RDPs – the RDP Evolution Pilot is now underway in four regions, with other RDPs still remaining under the previous system. For the Dairy Australia side:
 - How does communication and consultation with RDPs change under this new system? How have regional stakeholders been responding to this change? Why were these areas chosen for the Pilot?
 - Are there observable improvements in effectiveness/experiences from regional stakeholders under the Pilot?
 - What will RDP engagement look like once the RDP Evolution has been fully implemented? Is there an expected timeline for full implementation?
- What are the key priority issues and challenges for Regional Services that need to be addressed in the next five years? Are there any emerging issues or challenges that may arise in the future?

Stakeholder group	Discussion questions
Sustainable Dairy	<ul style="list-style-type: none"> • What is the scope of work for Sustainable Dairy? What key roles and activities does this include? • How have sustainable dairy activities contributed to advancing industry sustainability and achieving Dairy Australia targets? • Dairy Australia's research and investment activities align with Australian Government RD&E priorities such as <i>Priority 1: Transitioning to a net zero future</i> and addressing food security and biosecurity for <i>Priority 5: Building a secure and resilient nation</i>. Are there additional alignments with other government priorities in past, current or upcoming projects? • The ADSF Operational Review (2024) highlighted concerns about industry ownership and farmer engagement. What actions are being taken to ensure the framework remains industry-owned and increases farmer agency? • Outcomes from the ADSF Operational Review (Oct 2024) and Dairy Industry Materiality Assessment (Sept 2024) identified opportunities for better alignment and stakeholder buy-in. What actions are planned or underway to address these recommendations? • How is stakeholder consultation structured for ADSF updates? Are there mechanisms to demonstrate how feedback from farmers, processors, and government influences decisions? • What are the key priority issues and challenges for Sustainable Dairy that need to be addressed in the next five years? Are there any emerging issues or challenges that may arise in the future?
Dairy Australia Board (Governance and Risk focus)	<ul style="list-style-type: none"> • The current Board Governance Policy was introduced in July 2020, with minor changes made during the review period. What impacts has this had on Dairy Australia's approach to governance? • What progress has been made against recommendations in the 2024 Board Performance Review Report delivered by Blackhall & Pearl? This includes: <ul style="list-style-type: none"> – Clarifying key strategic priorities – Ensuring board and executive appointments further strengthen Dairy Australia – Curating a high-performing board culture – Clearly delineating between board and management responsibilities • What is Dairy Australia's BAU approach to risk management? Were there any changes to procedure following the Risk Management uplift in 2022? • Are there any risk categories which posed a particular problem for Dairy Australia during the review period? If so, what action/s were taken to address these? • Are there any risks or risk categories which have been successfully addressed during the review period? • Are there any ongoing risks which are unlikely to be downgraded in the next reporting period? How are these risks being managed? • What progress has been made since the 2021 Independent Performance Review, in <i>reducing 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</i>? This includes: <ul style="list-style-type: none"> – Response to identified underperformance – Key initiatives and improvements

External stakeholders consulted

Stakeholder Group	Participants	Number of stakeholders consulted
Federal Government stakeholders	DAFF	3
	DFAT	3
SDFOs	Dairy Farmers Victoria	1
	United Dairy Farmers of Victoria	2
	TasFarmers	1
	NSW Farmers Dairy Committee	2
	South Australian Dairyfarmers' Association	7
Processors	Burra Foods	1
	Australian Consolidated Milk	1
Group A levy payers	Anonymous survey respondents	80
	Leppington Pastoral Company	3
Group B members	ADF	3
	ADPF	2
RDPs	WestVic Dairy, Murray Dairy, Gipps Dairy, Dairy NSW, Dairy Tas, Western Dairy, Dairy SA, Sub Tropical Dairy	21
Research and innovation partners	Agriculture Victoria	4
	DataGene	3
	Barenbrug Australia	2
	University of Melbourne	1
	Tasmanian Institute of Agriculture	2
	University of Sydney – Dairy Research Foundation	1
	NSW DPIRD	2
	Queensland Department of Primary Industries	2
Individual consultants	Chris Murphy	1
	Jack Holden	1
	Esther Price	1

External stakeholder guides

Stakeholder group	Discussion questions
DAFF	<ul style="list-style-type: none"> • How would you evaluate Dairy Australia's ongoing cooperation with DAFF, especially in relation to the timeliness and quality of data, records, and other requested information? • What opportunities exist to improve the efficiency and effectiveness of interactions and information-sharing between Dairy Australia and DAFF? • From your perspectives, how compliant has Dairy Australia been to their obligations against applicable Acts and Regulations? Are there any potential gaps or areas for improvement? • From your perspectives, how compliant has Dairy Australia been against the current SFA? Are there specific areas where Dairy Australia could strengthen its alignment with the Performance Principles, or improve its delivery on defined outcomes and KPIs? • To what extent do Dairy Australia's investments and activities reflect the guiding principles of the <i>RDC Knowledge Transfer and Commercialisation Guide</i>? Are there any notable strengths? Are there any gaps or opportunities for improvement? • How transparent is Dairy Australia in communicating the impacts and benefits of its RD&E and marketing activities to DAFF? • How confident is DAFF that Dairy Australia's RD&E activities are aligned with the Australian Government's broader RD&E priorities? Has Dairy Australia clearly communicated how it contributes to research in these priority areas through its RD&E activities? • How effectively does Dairy Australia balance its efforts to drive value for Australia as a whole, while addressing state/territory-specific priorities and programs? • How do Dairy Australia's co-funding and industry partnership arrangements support value for money in the use of levy dollars? Are there opportunities to maximise the impact of these arrangements or explore alternative models for greater returns on investment? • Has Dairy Australia's collaboration with other research and RDCs helped to deliver agriculture sector-wide outcomes? • Following the 2021 Performance Review, were there any areas of underperformance identified by DAFF? If so - from your perspective, have sufficient improvements been made over the past few years to address these areas? • Are there any notable new initiatives or activities that have contributed to performance improvements over the past five years? • How does Dairy Australia's approach to engaging with DAFF compare to best practice demonstrated by other RDCs? Are there any opportunities for improvement?
DFAT	<ul style="list-style-type: none"> • Can you describe your key collaborative activities and partnerships with Dairy Australia? • What role do Dairy Australia's programs such as the Dairy Australia Scholarship and Dairy Australia Alumni in supporting market development for the dairy industry/agriculture more broadly? • What role does Dairy Australia play in presenting key insights from industry stakeholders such as farmers, processors, trading companies, the ADF, and the ADPF? • In your view, does Dairy Australia provide a holistic view of these insights? Are there any areas where visibility/transparency could be improved? • How would you describe perceptions of Australian dairy products in international markets? (e.g. awareness, buyer preferences) • In your view, what role has Dairy Australia played in shaping this?

Stakeholder group	Discussion questions
	<ul style="list-style-type: none"> • Do you see any opportunities for Dairy Australia to support continued improvements to these perceptions going forward? • What role does Dairy Australia's dairy market intelligence and data play in supporting DFAT activities? • To what extent does DFAT perceive this intelligence and data to be credible? Are these data points relevant to DFAT's work? Are there any gaps or potentials for improvement in the breadth or depth of data? • How has Dairy Australia supported farmers in adopting industry sustainability for dairy (e.g. through supporting expansion of market access and increasing the industry's global competitiveness?) • Looking ahead, are there any emerging areas for targeted market research or collaboration that you see as key or critical opportunities for the next five years?
ADF, SDFOs, Producers	<ul style="list-style-type: none"> • Over the past five years, how well has Dairy Australia's strategic plan reflected the (Australian dairy farmers'/state dairy farmers'/your) priorities? • How well do you think Dairy Australia has delivered against its outcomes in the Strategic Plan 2020-2025? • In your view, do you expect this pattern to change or continue over the next five years? • What has your experience been with Dairy Australia's engagement activities? • What has your experience been with Dairy Australia's communications activities and materials? Are communication channels (e.g., newsletters, events, direct contact) clear and accessible? Do you feel communication is timely and tailored to regional needs? • What has your experience been with Dairy Australia's consultation processes, including transparency and responsiveness? Do you feel your input has influenced Dairy Australia's decisions? • How has Dairy Australia supported farmers in adopting environmental sustainability practices? • In your view, what role has Dairy Australia played in helping maintain the industry's social license to operate? • How has Dairy Australia's work on market access, trade policy, and market insights helped support the sustainability of the dairy industry? • In your view, how have Dairy Australia's investments supported the needs of (dairy farmers nationally/dairy farmers regionally and in your state/your farm business), including translation to on-farm outcomes and broader sectoral benefits? • How did the Dairy Australia Board and MD monitor and manage Dairy Australia's engagement in the Australian Dairy Plan? • What opportunities and challenges have you seen in Dairy Australia's approach to cross-sector partnerships and policy alignment? • To your understanding, what are some benefits from cross-industry and cross-sector partnerships over the past five years? • Where do you see opportunities for further cross-industry and cross-sector partnerships with other agricultural RDCs? • Do you believe Dairy Australia demonstrates transparency in how membership fees & levy funds are used? • How confident are you that Dairy Australia meets its legal and funding obligations (e.g., planning, reporting, compliance)?
ADPF, Processors	<ul style="list-style-type: none"> • Over the past five years, how well has Dairy Australia's strategic plan reflected the priorities of Australian dairy processors? • How well do you think Dairy Australia has delivered against its outcomes in the Strategic Plan 2020-2025? In your view, do you expect this pattern to change or continue over the next five years?

Stakeholder group

Discussion questions

Stakeholder group	Discussion questions
RDPs	<ul style="list-style-type: none">• What has your experience been with Dairy Australia's engagement activities?• What has your experience been with Dairy Australia's communications activities and materials? Are communication channels (e.g., newsletters, events, direct contact) clear and accessible? Do you feel communication is timely and tailored to regional needs?• What has your experience been with Dairy Australia's consultation processes, including transparency and responsiveness? Do you feel your input has influenced Dairy Australia's decisions?• In your view, what role has Dairy Australia played in helping maintain the industry's social license to operate, including through environmental sustainability practices and maintaining public trust?• How has Dairy Australia's work on market access, trade policy, and market insights helped support the sustainability of the dairy industry?• What opportunities and challenges have you seen in Dairy Australia's approach to cross-sector partnerships and policy alignment?• To your understanding, what are some benefits from cross-industry and cross-sector partnerships over the past five years?• Where do you see opportunities for further cross-industry and cross-sector partnerships with other agricultural RDCs?• How confident are you that Dairy Australia meets its legal and funding obligations (e.g., planning, reporting, compliance)? <ul style="list-style-type: none">• Over the past five years, how well has Dairy Australia performed?• How well do you think Dairy Australia has delivered against its outcomes in the Strategic Plan 2020-2025?• Under the RDP Evolution, do you feel regional priorities are influencing Dairy Australia's planning and investment decisions?• In your view, do you expect the influence of regional priorities on Dairy Australia's planning and investment decisions to change or remain consistent over the next five years?• How well does the evolved RDP model enable regional priorities to influence Dairy Australia's planning?• How would you describe Dairy Australia's engagement with your Board and region?• What types of engagement have been most valuable for your members?• Where do you see opportunities to improve engagement going forward?• How effective have Dairy Australia's consultation processes been in capturing processors' priorities for strategic planning and annual operating plans?• Do you feel your input has influenced Dairy Australia's decisions?• Are consultation opportunities (e.g., workshops, surveys, reference groups) sufficient and well-structured?• What improvements would you suggest for future consultation processes?• How clear and timely has Dairy Australia's communication been about the RDP Evolution?• How effective has Dairy Australia been in driving awareness of its role and value?• Are Dairy Australia's communication channels (e.g., updates, forums, direct contact) accessible and relevant to your region?• Do you feel communication is timely and tailored to regional needs?• What could Dairy Australia do to make its communication more relevant and impactful?• How confident are you that Dairy Australia's investment decisions reflect regional priorities?

Stakeholder group

Discussion questions

	<ul style="list-style-type: none">• Do you believe Dairy Australia’s investment portfolio strikes the right balance between short-term impact and long-term industry outcomes?• Are there areas where Dairy Australia should adjust its investment focus (e.g., extension, research, technology adoption)?• How transparent is Dairy Australia in communicating the rationale and expected benefits of its investments?• Are there emerging opportunities or risks that Dairy Australia should consider in future investment planning?• What benefits have you seen from cross-industry or cross-sector partnerships in your region?• What partnerships have delivered the most value for your region?• Where do you see opportunities for further collaboration with other RDCs or regional bodies?• Are there challenges or barriers that need to be addressed to strengthen collaboration?• Where do you see opportunities for new collaborations?• How confident are you that Dairy Australia’s governance model under the RDP Evolution provides clarity and accountability?• Are roles and responsibilities between Dairy Australia and RDPs clear under the evolved model?• Do you believe Dairy Australia demonstrates transparency in how membership feeds & levy funds are used?• How confident are you that Dairy Australia meets its legal and funding obligations (e.g., planning, reporting, compliance)?• Has Dairy Australia provided enough information to show how its investments deliver value to its members?
Research and innovation partners	<ul style="list-style-type: none">• How would you describe the impact of Dairy Australia’s research and innovation investments on the dairy industry over the past five years?• From your perspectives, what have been the most significant outcomes from projects you’ve been involved in?• What have been the biggest challenges in delivering or implementing research and innovation projects?• Are there barriers that have limited the impact or adoption of project outcomes?• How could Dairy Australia better support partners to overcome these challenges?• How effectively have research outcomes been translated into practical on-farm benefits?• What could improve adoption of R&I outputs by farmers?• How effective has collaboration been between Dairy Australia and your organisation?• Are there opportunities to strengthen partnerships or improve coordination across projects?• Do you believe Dairy Australia’s R&I investments have been targeted at the right priorities for the industry?• Are there emerging areas where future investment should focus?• Looking ahead what research or innovation areas do you see as critical for the next five years?• Are there technologies or approaches that Dairy Australia should explore further?• Have these projects delivered benefits beyond dairy (e.g. broader agriculture, community)?• How could cross-sector collaboration be enhanced?

Stakeholder group

Discussion questions

Individual consultants

- How well do you think Dairy Australia has delivered against its outcomes in the Strategic Plan 2020-2025? In your view, do you expect this pattern to change or continue over the next five years?
- What has your experience been with Dairy Australia's engagement activities?
- What has your experience been with Dairy Australia's communications activities and materials? Are communication channels (e.g., newsletters, events, direct contact) clear and accessible? Do you feel communication is timely and tailored to regional needs?
- What has your experience been with Dairy Australia's consultation processes, including transparency and responsiveness? Do you feel your input has influenced Dairy Australia's decisions?
- In your view, what role has Dairy Australia played in helping maintain the industry's social license to operate, including through environmental sustainability practices and maintaining public trust?
- How has Dairy Australia's work on market access, trade policy, and market insights helped support the sustainability of the dairy industry?
- What opportunities and challenges have you seen in Dairy Australia's approach to cross-sector partnerships and policy alignment?
- To your understanding, what are some benefits from cross-industry and cross-sector partnerships over the past five years?
- Where do you see opportunities for further cross-industry and cross-sector partnerships with other agricultural RDCs?
- How confident are you that Dairy Australia meets its legal and funding obligations (e.g., planning, reporting, compliance)?

ADSF consultant only:

- In your view, what role has Dairy Australia played in supporting communication and application of the ADSF to its members (both farmers and processors)?
- What have been the biggest challenges of collaboration regarding the ADSF?
- What has been the process of responding to insights and recommendations from the Operational Review of the ADSF?
- Looking forward, are there any emerging areas for collaboration or innovation, including strategic direction for future iterations or updates to the ADSF?

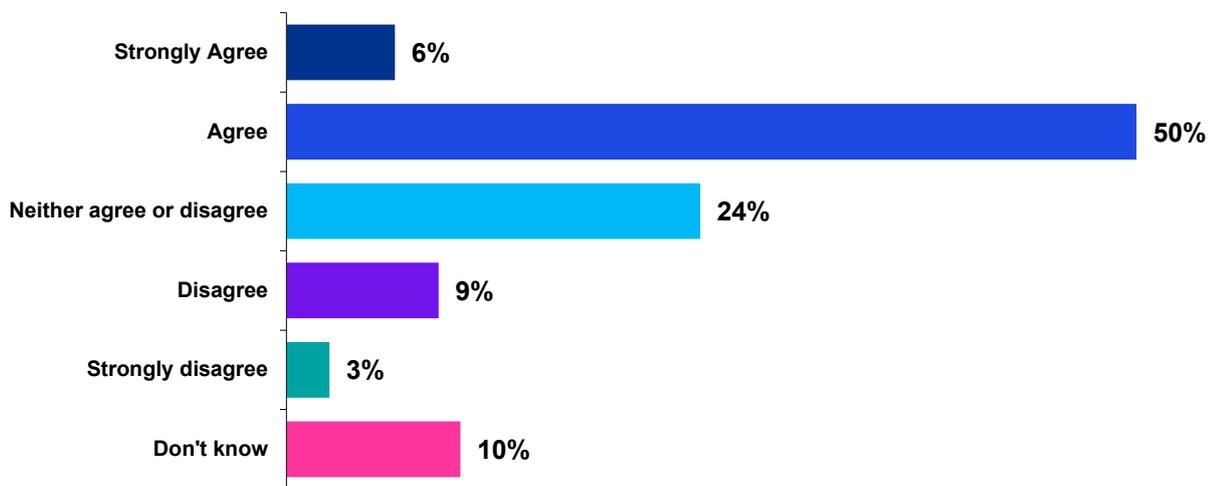
Appendix 3: Group A survey results

As part of the review, an online survey was distributed to Group A levy payers to gather feedback on Dairy Australia's performance across key areas, including communication, consultation, and delivery of benefits. A total of 80 responses were received. While these responses provide useful insights, the overall response rate was low and should be interpreted with caution. Additionally, responses to individual questions were optional. The findings are indicative rather than representative of the broader levy payer population.

Survey findings associated with each question are outlined in further detail below.

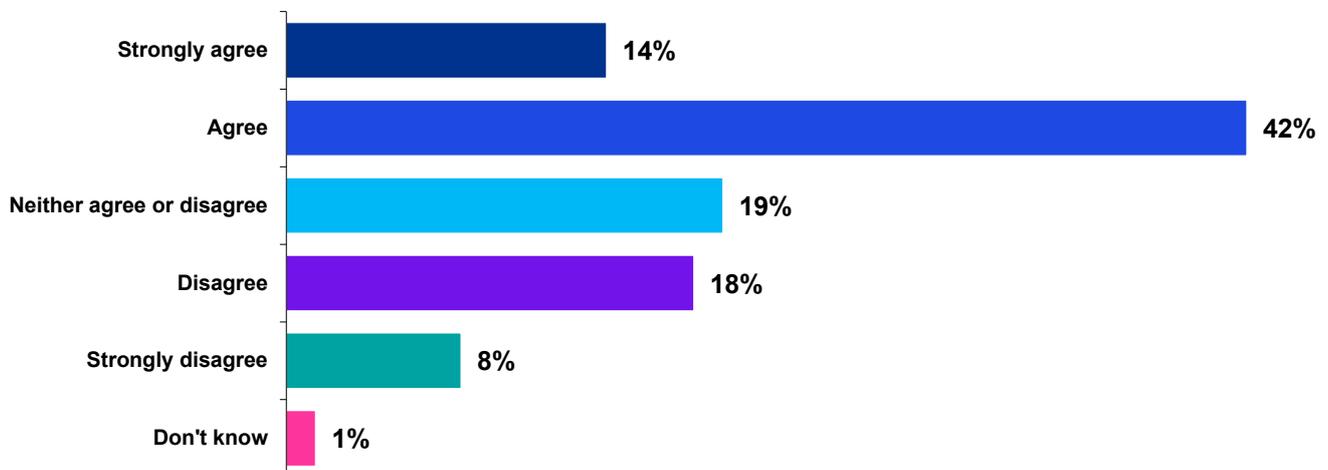
Strategic and investment performance

1 Would you agree or disagree that Dairy Australia's investment in feedbase and genetics research has improved outcomes for the dairy industry? (80 responses)



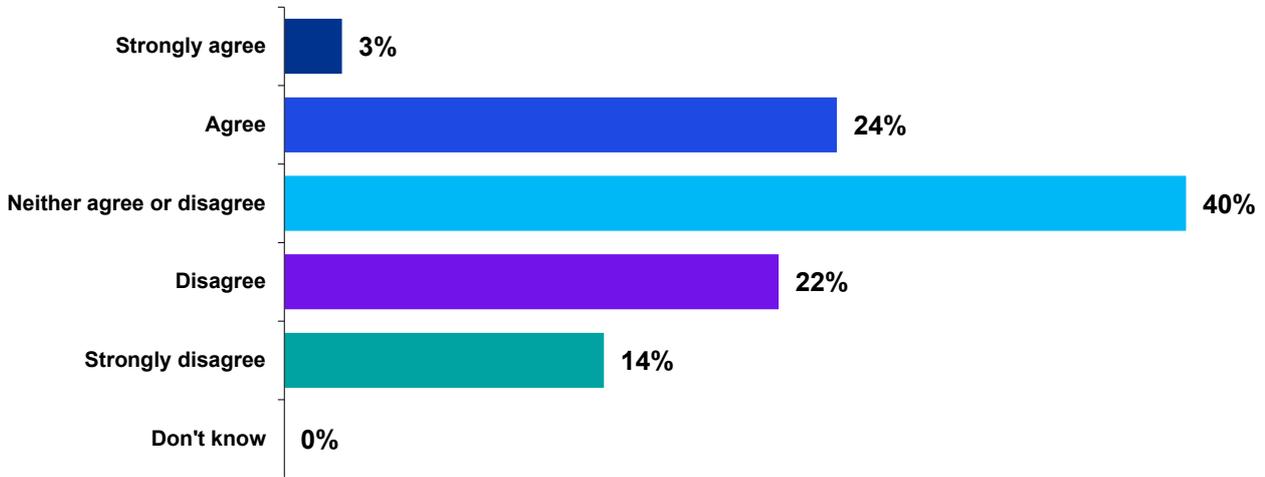
55 per cent (n=44) of respondents agree or strongly agree that Dairy Australia's investment in feedbase and genetics research has improved outcomes for the dairy industry.

2 Would you agree or disagree that Dairy Australia's investments in research, services and programs (e.g., farmer extension and development, industry and trade promotion) have provided tangible benefits to your farm business? (80 responses)



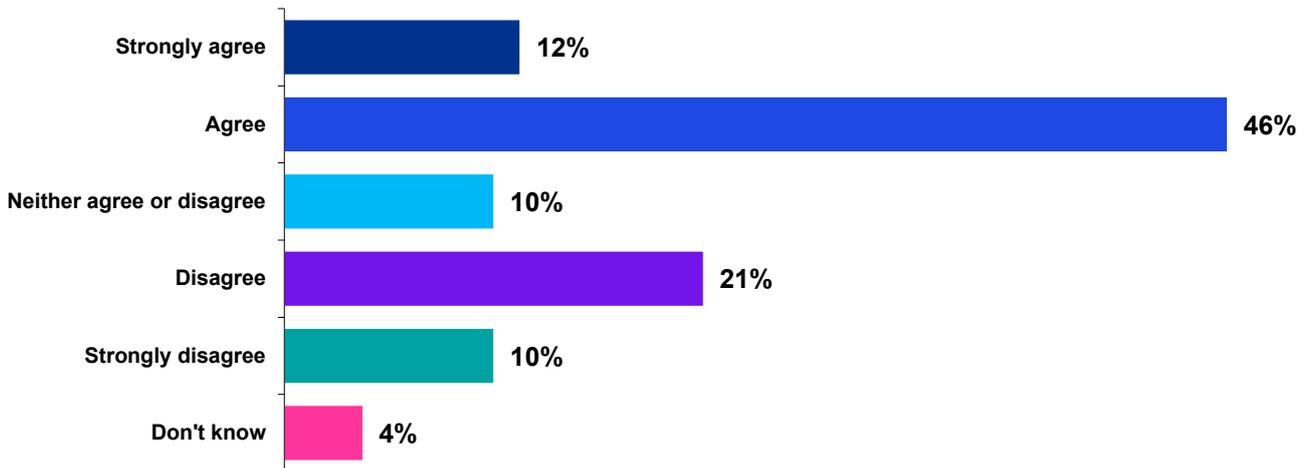
55 per cent (n=44) of respondents agree or strongly agree that Dairy Australia’s investments in research, services and programs have provided tangible benefits to their farm business. 26 per cent of respondents disagree or strongly disagree that Dairy Australia’s investments in research, services and programs have provided tangible benefits to their farm business.

3 Would you agree or disagree that Dairy Australia’s initiatives (e.g., understanding, measuring and mitigating carbon, managing heat) have supported farmers to manage climate and a changing environment? (80 responses)



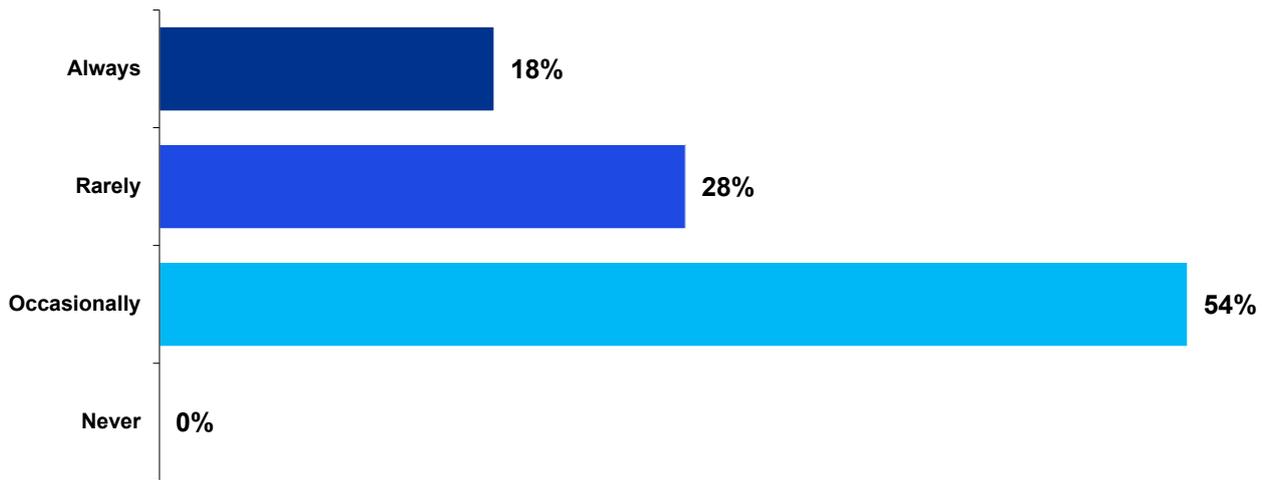
36 per cent (n=21) of respondents disagree or strongly disagree that Dairy Australia’s initiatives have supported farmers to manage climate and a changing environment. Responses were mixed with 40 per cent of respondents neither agreeing or disagreeing.

4 Would you agree or disagree that Dairy Australia has contributed to the ongoing sustainability of the dairy industry? (80 responses)



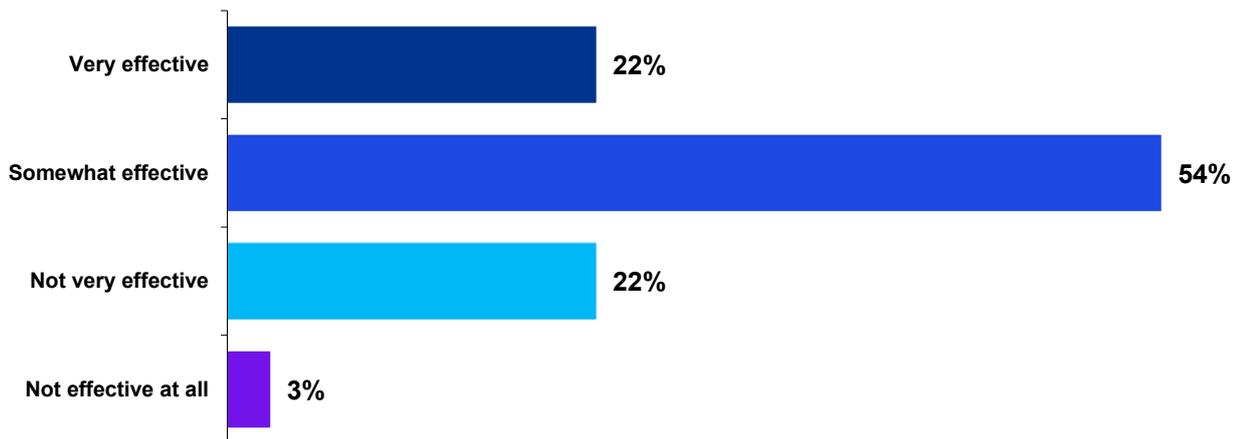
Communication and consultation

5 Do you feel Dairy Australia’s communication has been clear, timely and relevant to your needs? (79 responses)



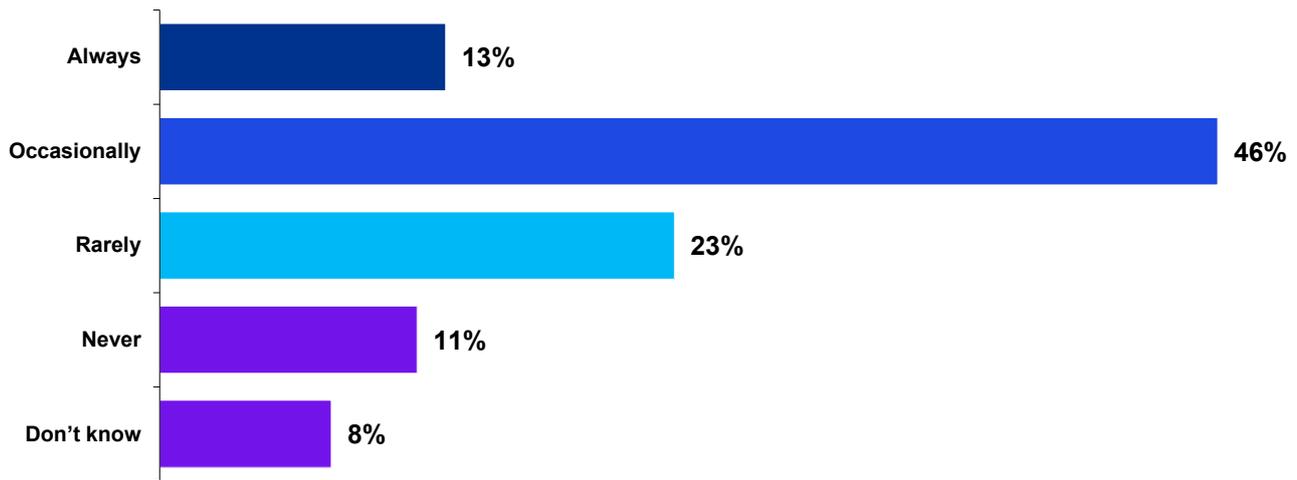
82 per cent (n=65) of respondents felt that Dairy Australia's communication has been clear, timely and relevant to their needs only occasionally or rarely. This highlights a significant opportunity for focus and improvement.

6 Do you find the communication methods used by Dairy Australia (e.g., newsletters, direct contact via emails or phone, events) are effective? (79 responses)



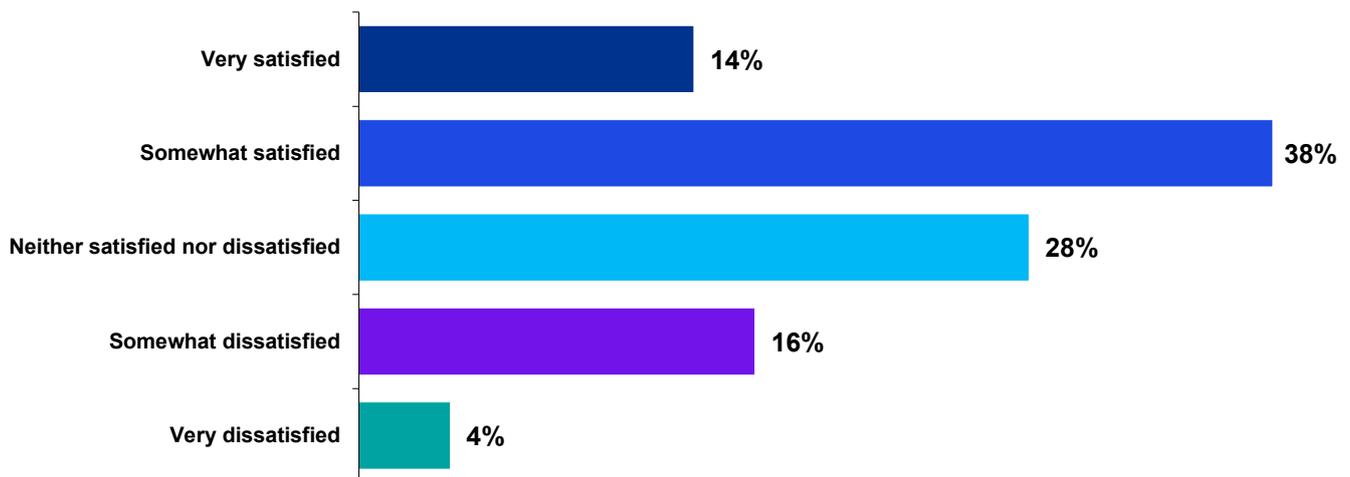
54 per cent of respondents indicated that the communication methods used by Dairy Australia were somewhat effective, while 25 per cent (n=19) indicated they were not very effective or not effective at all.

7 Do you believe Dairy Australia actively seeks and incorporates farmer feedback into its investment decisions? (80 responses)



13 per cent (n=10) of respondents felt that Dairy Australia always actively sought and incorporated farmer feedback into its investment decisions, 47 per cent indicated (n=37) that they felt Dairy Australia did this only occasionally, and 32 per cent indicated they felt this was done rarely or never (n=27).

8 How satisfied are you with the opportunities provided by Dairy Australia to participate in consultation processes (e.g., forums, workshops)? (79 responses)



52 per cent (n=41) of respondents were very or somewhat satisfied with the opportunities provided by Dairy Australia to participate in consultation processes, while 21 per cent (n=16) of respondents were very or somewhat dissatisfied.

9 What could Dairy Australia do to better communicate and consult with levy payers? (55 responses)

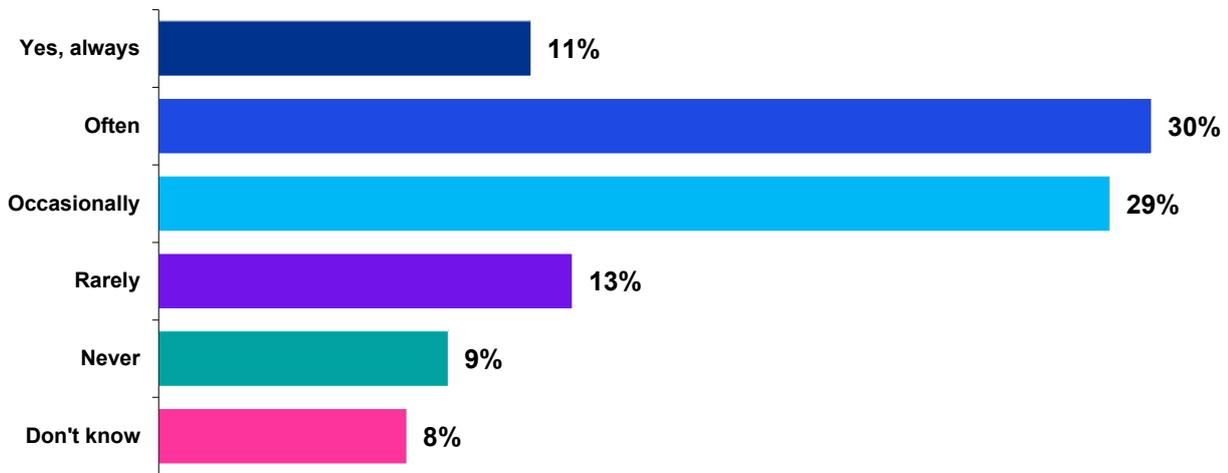
Summary of sentiment expressed in responses:

- Farmers want Dairy Australia to listen to their feedback, act on it, and clearly communicate what changes have been made as a result.
- They value more on-farm presence and regional engagement, including meetings in fringe areas and events scheduled around farming realities.
- Communication should be timely, concise, and delivered through multiple channels such as email, SMS, and social media, with regular summaries of upcoming activities.
- Transparency around how levy funds are spent and the tangible benefits for farm profitability is critical to building trust.

- Engagement approaches should be tailored to diverse farmer segments, including smaller farms and those in NSW, and should reduce participation burden by avoiding lengthy surveys and offering easier ways to contribute.
- Strengthening trust through responsiveness to serious issues, approachable staff, and visible outcomes was a recurring theme.
- Farmers also called for better use of local structures such as RDPs and discussion groups, and for extension teams to deliver practical, timely research and benchmarking support.
- While a few respondents indicated satisfaction, many emphasised the need for Dairy Australia to demonstrate impact and maintain active, two-way communication.

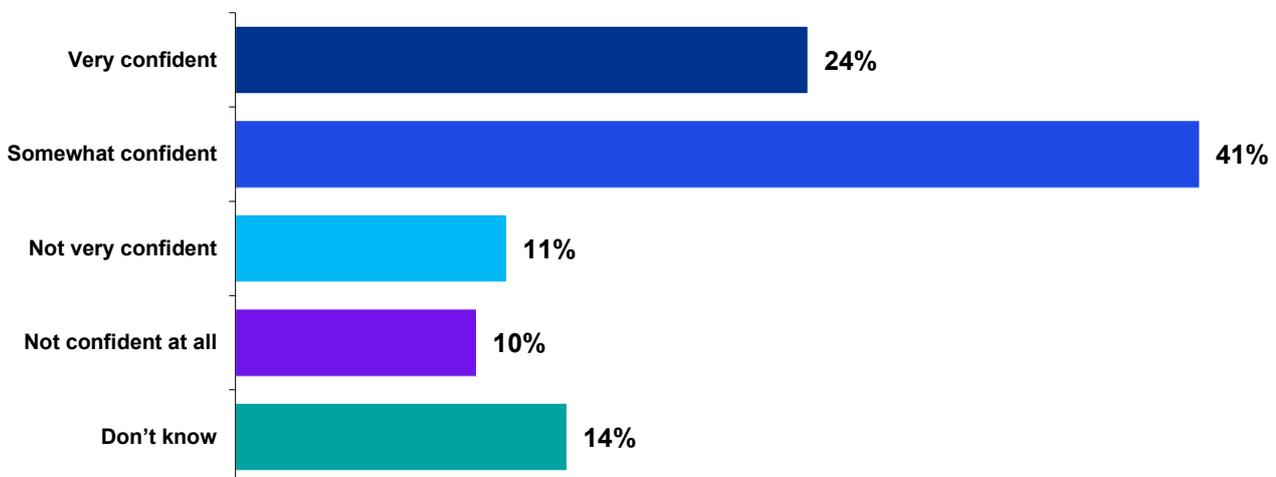
Governance and compliance

10 Do you feel that Dairy Australia operates in a way that demonstrates good governance and transparency in its use of levy funds? (79 responses)



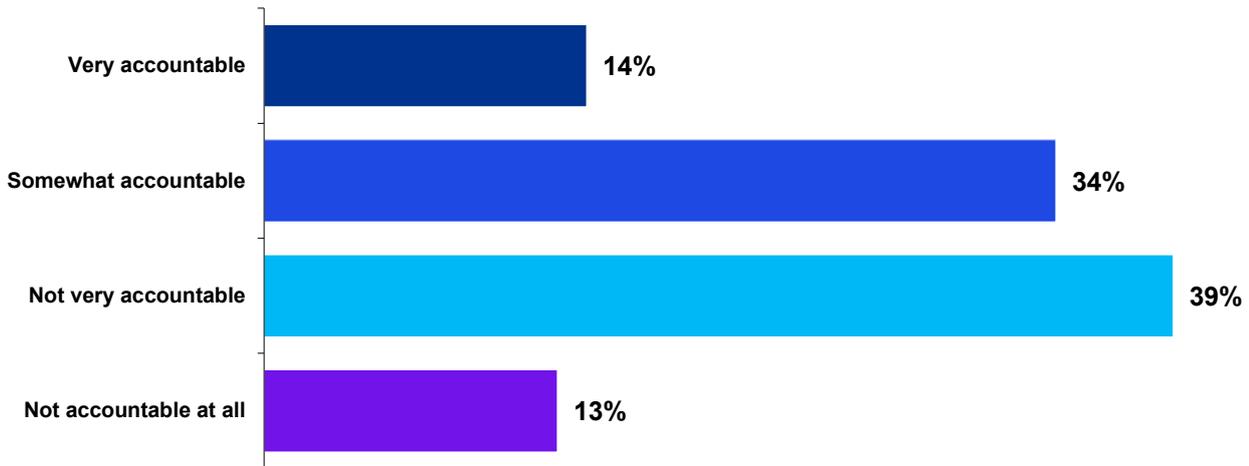
43 per cent (n=33) of respondents felt that Dairy Australia often or always demonstrates good governance and transparency in its use of levy funds. However, 43 per cent of respondents indicated that Dairy Australia demonstrates good governance and transparency occasionally or rarely.

11 How confident are you that Dairy Australia is meeting its legal and funding obligations, such as appropriate planning, reporting, and monitoring of its activities? (79 responses)



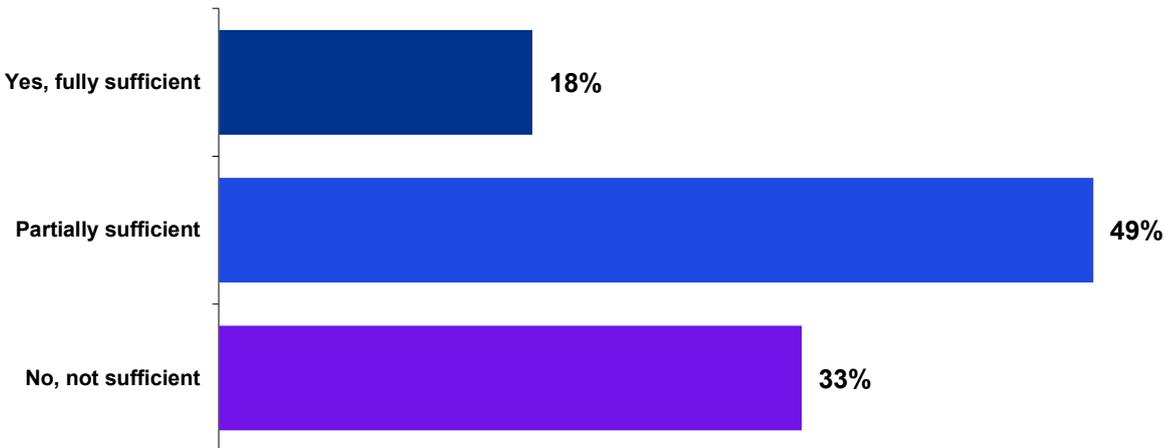
64 per cent (n=51) of respondents were somewhat or very confident that Dairy Australia is meeting its legal and funding obligations, such as appropriate planning, reporting, and monitoring of its activities.

12 To what extent do you feel that Dairy Australia is accountable to dairy farmers like you for its decisions and actions? (79 responses)



48 per cent (n=38) of respondents felt that Dairy Australia was somewhat or very accountable to dairy farmers for its decisions and actions. However, 52 per cent of respondents felt that Dairy Australia were not very accountable or not accountable at all.

13 Do you believe that the information Dairy Australia shares on its performance and investments sufficiently demonstrates how levy funds are being managed? (79 responses)



49 per cent of respondents felt that the information shared by Dairy Australia on its performance and investments was partially to demonstrate how levy funds were being managed. However, 33 per cent indicated that it was not sufficient highlight an area for improvement.

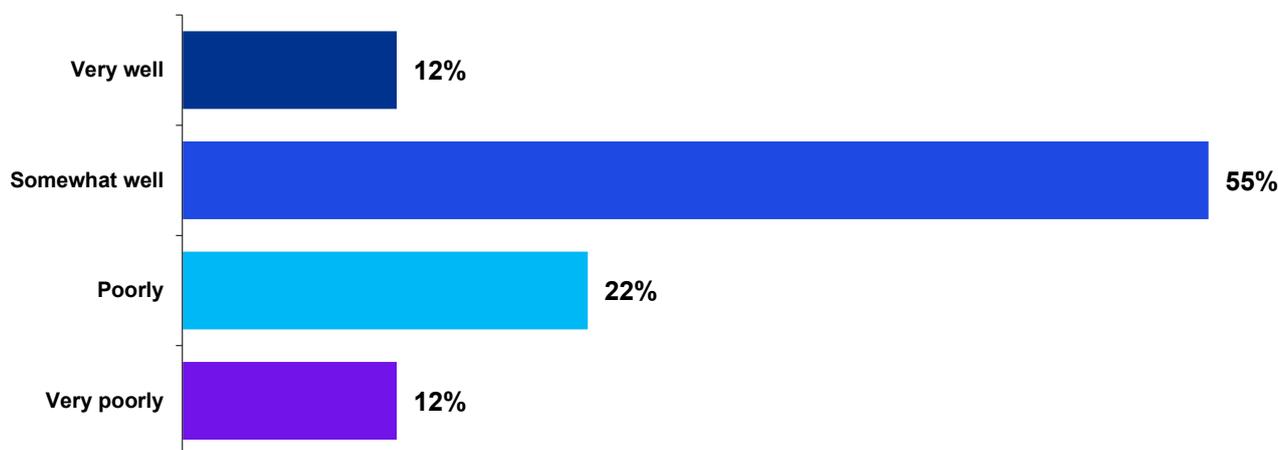
14 If you have suggestions on how Dairy Australia could better share information about its performance and management of levy funds, please provide your feedback below (34 responses)

- Farmers want Dairy Australia to provide regular, easy-to-access updates on levy fund management and performance, such as bi-monthly or six-monthly newsletters and emailed report cards.
- Regional meetings and local information sessions were suggested as opportunities for farmers to ask questions and discuss details directly with Dairy Australia representatives.
- Transparency was a major concern, with calls for clear, detailed breakdowns of how levy funds are raised, allocated, and spent, including state-level reporting and individual program budgets.
- Respondents emphasized the need to show the outcomes and return on investment for funded projects, including case studies and project-end reports that demonstrate tangible benefits to farmers.

- Several farmers requested that Dairy Australia publish real-time financial information, lobbying activities, and management diaries on its website to improve accountability.
- Communication should include accurate, complete data rather than percentages or selective information, and reporting should be independent and unbiased.
- Suggestions included using diverse channels such as newsletters, podcasts, ABC Country Hour interviews, and short updates that busy farmers can easily access.
- Farmers expressed frustration about perceived misuse of funds, such as spending on staff events, and called for greater honesty and accountability in financial management.
- There was a strong desire for Dairy Australia to acknowledge past failures, learn from poor investment decisions, and celebrate successful programs openly.
- Some respondents noted that many farmers currently have little knowledge of levy fund management, highlighting the need for more proactive and consistent communication.

Research and extension activities

15 How well do Dairy Australia's research and extension activities translate to decisions or benefits for your farm business? (78 responses)



11 per cent (n=9) of respondents felt that Dairy Australia's research and extension activities translate to decisions or benefits for their farm business very well. However, 55 per cent (n=43) of respondents felt that activities only translated somewhat well, and the remaining 34 (n=26) per cent felt that that activities translated poorly or very poorly.

16 What could Dairy Australia do to improve the value of its research and extension activities for levy payers? (44 responses)

Summary of key themes from responses:

- Farmers want Dairy Australia to ensure research and extension activities are relevant and beneficial to all levy payers, regardless of farm size, region, or production system.
- There is a strong call for research priorities to be driven by farmer needs, with a focus on improving farm profitability through areas such as feed conversion efficiency, cost of feed, and milk price.
- Respondents emphasized the importance of listening to farmers and engaging them directly through farm visits, regional meetings, and opportunities to influence research and development decisions.
- Extension delivery needs to be strengthened, with more practical, region-specific programs and greater accountability for third-party deliverers.
- Farmers suggested investing in new extension approaches, including video libraries for on-demand access, one-on-one consultations, and more diverse consultants to bring fresh perspectives.

- There were concerns about extension staff focusing on large farms or familiar networks and calls for a “farmer-first” approach that recognizes levy payers as the priority.
- Transparency and communication about research outcomes should improve, with clear reporting on adoption rates, profitability impacts, and independent financial analysis of tangible benefits.
- Respondents highlighted the need to stop focusing on “shiny” projects and instead prioritize initiatives that deliver measurable improvements for average-sized farms, which form the backbone of the industry.
- Farmers requested greater investment in successful programs such as C4 Milk and more equitable allocation of research and extension funding across states, particularly in regions that contribute significant levies.
- Suggestions included publishing research findings widely, encouraging farmer participation in research, and exploring innovative ideas from outside the industry to improve knowledge sharing.
- Several respondents expressed frustration about perceived centralization and management-heavy structures, recommending more staff at the grassroots level and less focus on Southbank-based roles.
- Communication about research and extension should be clearer and more frequent, including updates on emerging issues such as pest infestations, and delivered through local information sessions and targeted discussions.

Final thoughts

17 What is the single most important action Dairy Australia should take to better support dairy farmers and the dairy industry in Australia? (49 responses)

Summary of key themes from responses:

- Farmers want Dairy Australia to reduce management overhead and Melbourne-centric structures, ensuring more levy funds are directed to practical, on-farm support and extension activities.
- There is a strong call for Dairy Australia to listen to farmers and act on their feedback, engaging with all regions and farm sizes rather than focusing on select groups.
- Respondents emphasized the need to prioritize farm profitability by addressing key drivers such as fair farm gate prices, feed costs, and input management.
- Many farmers want Dairy Australia to advocate more effectively for the industry, including promoting Australian dairy products, highlighting health benefits, and countering negative public perceptions and activist pressure.
- Sustainability and climate resilience were identified as critical areas, with suggestions to lead on carbon mitigation, regenerative agriculture, water reuse, and soil health initiatives.
- Farmers requested more individual farm visits, targeted extension sessions, and improved delivery of practical information to support day-to-day decision-making.
- Transparency and accountability were recurring themes, with calls to ensure every dollar of levy funds is accounted for and spent on initiatives that directly benefit farmers.
- Respondents highlighted the importance of education and knowledge sharing, including discussion groups, local forums, and better underpinning of farm business skills to prepare for change.
- Several farmers stressed the need for Dairy Australia to unite the industry under a common plan, reduce fragmentation, and strengthen collaboration across stakeholders.
- There were also suggestions to decentralize operations, invest in regions that produce the most milk, and maintain a strong focus on core research, development, and extension rather than expanding management roles.
- A minority expressed frustration and disengagement, with comments such as “stop wasting levy money” or “cancel our levy,” underscoring the need for Dairy Australia to rebuild trust and demonstrate tangible value.

Appendix 4: Strategic Priority performance reporting

A summary of Dairy Australia's progress against the success indicators for each strategic priority is outlined below in Table 0-2. Data on organisational performance against the success indicators have been drawn primarily from Dairy Australia's Performance Report 2024-25. Supplementary data on *Priority 7: Innovative and responsive organisation* has been drawn from Dairy Australia's Internal Strategic Portfolio Report FY25 H2.

The criteria for measuring Dairy Australia's progress against the success indicators are defined in Table 0-1.

Table 0-1 Success indicator performance rating measures

Performance rating	Description
Achieved	The target for this success indicator has been met.
On track	At least 80 per cent of the target for this success indicator has been met.
Lagging	Less than 80 per cent of the target for the success indicator has been met.

Table 0-2 Dairy Australia's progress against strategic priorities as of 2024-25

Priority	Outcomes	Success Indicators	Progress (as of 2024-25)
More resilient farm businesses	Business planning that leads to better decisions and sustained success	80% of dairy farm businesses perform systematic, periodic business reviews at least annually	On track: 79% of farm businesses
		80% of dairy farm businesses make key long-term decisions using a documented business plan.	Lagging: 21% of farm businesses
	Clear and understood drivers of dairy farm profitability and productivity	60% of farm decision-makers can accurately state the profit metrics for their farm	Achieved: 74% of farm businesses
		90% of farm decision-makers can accurately state the productivity drivers for their farm.	On track: 85% of farm businesses
	Expanded range of risk management tools for price and cost volatility	80% of farm businesses are actively using risk mitigation initiatives	Achieved: 99% of farm businesses
	Innovation in finance that increases access to capital for expansion and new entrants	80% of farm owners and managers that have tried to access capital agree there is the opportunity to access capital to meet their requirements	Achieved: 83% of farm businesses
		50% of farm businesses are aware of information, case studies and resources on pathways to investment such as share farming, equity partnerships, vendor finance, etc.	On track: 47% of farm businesses

Priority	Outcomes	Success Indicators	Progress (as of 2024-25)
Attract and develop great people for dairy	Greater awareness of Australian dairy as an attractive industry with rewarding career opportunities	80% of dairy farm rewarding to work in	On track: 76% of employers
		30% of Australians would consider working on a dairy farm.	Lagging: 20% of community
		100% dairy farms employees implement good safety practices.	On track: 88% of employees
	Clear and supported capability development and career pathways	70% of farmers who are building their career in dairy have clear, logical and supported development pathways	Achieved: 78% of farmers
		70% of employers have clear, logical and supported development pathways for themselves	Lagging: 43% of employers
	Access to capable and skilled farm employees and service providers	80% of employers that employed someone in the past 12 months report that the time taken to find a new employee was less than one month	On track: 76% of employers
		80% of employers that employed someone in the past 12 months were able find an employee with the right capability for the role	On track: 75% of employers
	Support farm businesses and their service providers to get the basics right	80% of farm businesses have access to the information and tools they need to get the fundamentals right on-farm	Lagging: 58% of farm businesses
		80% of service providers have access to the information and tools they need to get the fundamentals right on-farm	On track: 78% of service providers
	Strong community for dairy	The Australian dairy industry is trusted and accepted by the community	79% of consumers trust the dairy industry
40% farmers actively promote the industry.			Lagging: 31% of farmers
85% of consumers prefer to buy Australian-made or locally produced dairy products wherever possible.		On track: 81% of consumers	
75% of consumers agree dairy farmers do a good job caring for the environment.		On track: 66% of consumers	
80% of community representatives on the consultative forum agree that the Sustainability Framework is recognised, supported and trusted as providing evidence of industry's commitment to sustainable dairy practices.		Achieved: 83% of community representatives	
Dairy manufacturers are engaged in industry-led initiatives to improve the water, waste, packaging and emissions intensity of their operations for 90% of the milk pool		Achieved: 92% of milk pool	
Australian dairy is valued for superior		87% of consumers trust dairy as a wholesome and healthy food.	On track: 86% of consumers

Priority	Outcomes	Success Indicators	Progress (as of 2024-25)
	health and nutrition benefits	85% of consumers hear positive health messages about dairy foods from health professionals.	Achieved: 92% of consumers
		55% of consumers make an effort to consume dairy every day	Achieved: 58% of consumers
	The Australian dairy industry is committed to animal wellbeing	77% of consumers believe the dairy industry meets their expectations in doing the right thing	On track: 75% of consumers
		80% of consumers agree dairy farmers do a good job caring for their animals	On track: 77% of consumers
Thrive in a changing environment	Greater ability to adapt to changes in the natural environment	90% of farmers have access to enough information to understand the impacts of changes in the environment	Lagging: 70% of farmers
		95% of dairy farmers have the right information and capabilities to thrive in increasingly volatile climatic conditions	On track: 90% of farmers
	Efficient and profitable use of land, water, carbon and energy resources which nurtures and sustains the natural environment	70% of dairy farm businesses have adopted technologies and management practices to achieve land, water, carbon and energy efficiency	Achieved: 97% of farmers
	Proactive action to reduce global warming and greenhouse gas emissions	85% of dairy farm businesses generating renewable energy.	Lagging: 64% of farmers
		40% of dairy farm businesses have access to and adopted commercial solutions for reducing on farm emissions	Achieved: 75% of farmers
	50% of farmers with dairy farm businesses of 300+ herd size understand their carbon footprint	Lagging: 24% of farmers	
Success in domestic and overseas markets	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 (70%), Greater China (60%) and South-east Asia (60%)	Achieved: Japan (82%), Greater China (94%), South-east Asia (84%)
		Australian dairy makes tangible market access gains in all completed trade negotiations involving Australia.	Achieved: All
	A favourable policy and regulatory environment	100% of industry and government stakeholders that use policy related services value the work of Dairy Australia to inform policy discussions.	On track: 89% of stakeholders
		90% of stakeholders that use market access related services value the work of Dairy Australia to help ensure access to markets.	On track: 89% of stakeholders
	Access to trusted market insights that	Dairy Australia is considered by 85% industry stakeholders utilising Dairy Australia market analysis or data as the most trusted and credible	On track: 75% of stakeholders

Priority	Outcomes	Success Indicators	Progress (as of 2024-25)
	inform decision-making	source of information to inform decisions related to dairy markets.	
		Dairy Australia's market information is widely utilised by 90% of industry and government stakeholders utilising Dairy Australia market analysis or data.	On track: 85%
		Dairy Australia is considered the most trusted and credible source of dairy market information by the media, with 200 annual dairy market related media articles referencing Dairy Australia analysis or data	Achieved: 319 articles in FY25
		Dairy Australia maintains and grows its access to 95% of industry milk production data to inform market analysis.	On track: 88% of milk production
		Dairy Australia maintains and grows its access to 90% of industry domestic sales data to inform market analysis.	On track: 82% of domestic market sales
		Dairy Australia maintains and grows its access to 90% of industry manufacturing production data to inform market analysis.	Achieved: 89% of manufacturing production data
Technology and data-enabled farms	Accelerated genetic progress in feedbase and animal breeding	>2% genetic gain in ryegrass	Lagging: <1%
		25% of farmers using the Forage Value Index to select grass pasture varieties sown.	Achieved: 28% of farmers
		The rate of genetic gain for sires of cows in Balanced Performance Index (BPI) units is \$30/year.	Achieved: \$31/year (2018-2023 period)
		The rate of genetic gain of cows in BPI units as a result of heifer genomic testing is \$25/year.	Lagging: \$16/year (2012-2021 data)
	More flexible and agile dairy production systems	Development of 20 new feedbase options that increase flexibility and agility.	Achieved: 12 available, 13 in development
		Development of 10 new non-feedbase system options that increase flexibility and agility.	Achieved: 11 available, 3 in development
		75% of dairy farm businesses have access to the information and tools that they need to run their chosen farm system	Lagging: 54% of farm businesses
	Greater use of high-value technology on farm	80% of farm businesses have successfully adopted technology that provides new insights for farm operations	On track: 67% of farm businesses
	Connected dairy production systems utilising multiple data sources to enhance decision-making	5 new methods of collecting or analysing multiple sources of physical data on-farm.	Achieved: 7 new methods
		80% of dairy farm businesses are routinely collecting three or more sources of physical performance data for decision-making (e.g. herd	Achieved: 91% of farm businesses

Priority	Outcomes	Success Indicators	Progress (as of 2024-25)
		testing, pasture measurement, lameness scoring).	
		Routine management decisions of 95% of dairy farm businesses (e.g. sire selection, irrigation scheduling, culling) are informed by multiple data sources.	On track: 76% of farm businesses
Innovative and responsive organisation	We have a farmer-focused service delivery model	Farmer-focused service delivery model embedded across 100% of our projects, services, infrastructure, communications and processes.	Achieved: 100% embedded
		80% of farm businesses feel Dairy Australia has an effective relationship management model.	Lagging: 48% of farm businesses
	Our culture of learning and innovation, values and ways of working deliver success	Employee engagement score increases to 80%.	On track: 78% employee engagement
		Dairy Australia values are known by 100% of employees.	On track: 98% of employees
		Dairy Australia values are well understood by 100% of employees.	On track: 95% of employees
		90% of Dairy Australia employees demonstrate commitment to our values.	Lagging: 69% of employees
		80% of Dairy Australia employees believe farm businesses value Dairy Australia for our ability to be innovative.	Lagging: 51% of employees
		80% of employees believe Dairy Australia is decisive and effective in its actions.	Lagging: 44% of employees
		Our infrastructure, resources and processes allow us to be informed, agile and responsive	90% of employees believe they have the right tools and infrastructure to deliver the best service to levy payers
	75% of employees believe Dairy Australia processes allow for agility and responsiveness.		On track: 67% of employees
	80% of farmers believe Dairy Australia is responsive to major industry events impacting the industry.		Lagging: 54% of farmers
	We have effective and transparent	80% of levy payers are satisfied they are well-informed about how Dairy Australia invests levy.	Lagging: 50% of farmers

Priority	Outcomes	Success Indicators	Progress (as of 2024-25)
	management of resources	Levy payers are satisfied that Dairy Australia is investing levies appropriately, with an average levy payer response of 8/10.	Lagging: 5.2/10 average levy payer response
		80% of farmers agree that Dairy Australia's investments deliver value to levy payers.	Lagging: 50% of farmers

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