

Statutory Funding Agreement Performance Principles

2025-26

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Background

As the industry-owned research and services body, Dairy Australia is here to improve farm profitability by increasing herd and feed productivity, while remaining focused on sustainable practices that farmers do every day. We also support policy development, expand market opportunities and promote Australian dairy. This delivers a proud, successful and valued industry that celebrates dairy, attracts great people and strengthens communities.

Dairy Australia invests in research and services to support farmers and the industry with achieving these outcomes:

- Uplifting farm business performance
- Enhancing farm operations
- Creating pathways for people
- Building feedbase productivity
- Building herd productivity
- Adapting to a changing operating environment
- Advancing industry sustainability
- Remaining locally and globally competitive.
- Driving community trust and support

Guidelines

The Guidelines for Statutory Funding Agreements was introduced by the Department of Agriculture, Water and the Environment and came into effect on 1 January 2022.

The Guidelines for Statutory Funding Agreements provide Research and Development Corporations (RDCs) with guidelines on meeting its Performance Principles under its Statutory Funding Agreement (SFA) with Commonwealth. The Key Performance Indicators (KPIs) set out in the guidelines do not replace the Performance Principles under the SFA but must be read in conjunction.

The KPIs also do not replace any KPIs, or strategic pillars set by Dairy Australia.

Purpose

This report outlines the approach and findings of an internal review assessing performance against the SFA Performance Principles and the KPIs set out in the Guidelines for Statutory Funding Agreements.

The outcome of this review will contribute to Dairy Australia demonstrating its performance and achievement to the Commonwealth.

To complete the internal review, we drew on the two half-yearly Strategic Performance Progress Reports prepared during the year as key internal evidence sources for assessing how Dairy Australia's activities have contributed to Strategic Plan outcomes and the SFA Performance Principles. The review also considered other relevant planning and reporting activities, including the development of the five-year Strategic Plan. Together, these sources provide the evidence base for Dairy Australia's annual Performance Report, which is published on the Dairy Australia website alongside the five-year Strategic Plan, Annual Report and Annual Investment Plan (AIP).

Observations

The review demonstrates that Dairy Australia has established a structured and maturing approach to meeting the SFA Performance Principles. This is supported by clear governance arrangements, active stakeholder engagement, disciplined investment planning, and strengthened performance monitoring through the Strategic Performance Scorecards and improvements implemented across the year.

Overall, the review indicates that Dairy Australia is using the Performance Principle and KPI framework to strengthen transparency, accountability and evidence-based decision-making across its investment portfolio whilst also identifying practical improvement opportunities set out below.

1. Renew the Investment framework to include portfolio analysis.
2. Future AIP consultation reporting could be strengthened by providing clearer feedback-to-decision traceability. This would include improving how the outcomes of regional input and feedback was considered in investment prioritisation, and where feedback was not incorporated, the rationale for that decision. This would support greater transparency, help strengthen regional confidence that input is visible, and better demonstrate alignment with SFA expectations to show how stakeholder feedback is incorporated or otherwise addressed in the final AIP decisions.
3. Finalise the development of a renewed Stakeholder Consultation plan, which aligns with best-practice guidance from the Department of Agriculture, Fisheries and Forestry and directly links to Strategic Plan 2030. Forming part of the renewed Stakeholder Consultation Plan will be a calendar of clearly mapped consultation opportunities, demonstrating all the regular engagement Dairy Australia undertakes. The improvements identified are built into Dairy Australia's pipeline of work and are currently in development and/or implementation.
4. The Strategic Performance Scorecard demonstrates portfolio breadth through reporting against strategic priorities, enablers, active project numbers and budget allocation. To further strengthen alignment with the SFA Guidelines, future reporting could include a more explicit portfolio-balance view showing the investment mix across short-term and long-term outcomes, strategic and adaptive research, risk profile and expected benefits.

More broadly Dairy Australia will continue to focus and improve on embedding processes and procedures within the organisation to ensure ongoing compliance to the SFA and guidelines. Further information on Dairy Australia's performance for 2025-26 can be found in the Annual Report and Performance Report, which will be published on the Dairy Australia website.

Statutory Funding Performance Principles and Key Performance Indicators

Adaptation by Dairy Australia

1. Stakeholder Engagement

Performance Principle outcome: Engage stakeholders to identify Research and Development Activities and associated priorities that provide benefits to the Industry.

- Facilitate opportunities for levy payers, industry and government to contribute and collaborate in a meaningful way in setting RD&E priorities and activities. This means being open and transparent about how input and ideas from levy papers is incorporated into strategy design and the reasons for their inclusion or otherwise.

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
1.1. Strategy prioritisation and development processes include appropriate consultation plans, based on the <i>Best practice guide to stakeholder consultation</i> .	1.1. (a) Five year Strategic Plan developed through widespread stakeholder consultation	The Strategic Plan 2025-2030 was developed via broad stakeholder consultation which includes consultation in dairy regions with Regional Development Programs (RDPs), Australian Dairy Farmers (ADF), Australian Dairy Products Federation (ADPF) and the Department of Agriculture, Fisheries and Forestry (DAFF). The extensive, industry wide consultation shaped the development of the industry goals and strategic priorities, with dedicated in-person and online workshops held for farmers and industry stakeholders across a range of locations. Detailed information regarding the consultation process, alongside a summary of stakeholder insights, was published on the Dairy Australia website called the Regional Consultation Playback report. The Strategic Plan is built on a clear understanding of where the dairy industry stands today and where it can head next. Dairy Australia looked closely at industry performance, global and domestic trends, and the different conditions across all eight dairy regions. This was combined with extensive input from farmers and industry to ensure the strategy responds to the challenges and opportunities that matter most to dairy farmers and the industry. The Strategic Plan identifies three strategic priorities to support the achievement of Dairy Australia's vision to be Leaders in shaping a profitable and sustainable dairy industry. The three strategic priorities include: - Unlocking today's potential - Innovating for future success	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
		- Ensuring a sustainable industry. Working closely with industry, Dairy Australia identified an overarching goal to ensure that dairy farms achieve competitive returns on total assets (ROTA) of five to six per cent. This is supported by four shared goals that describe the outcome aimed at majority of dairy farms: - Increase profitability – improve earnings before interest and tax (EBIT) by 30c per kg MS. - Increased feed productivity – increase homegrown feed utilisation by one tonne per milking hectare. - Increase herd productivity – increase genetic gain by \$90 per cow entering the herd - while remaining focused on sustainable practices – increase the proportion of first calving heifers reaching their third lactation and beyond by 12%. The five year Strategic Plan is published on the Dairy Australia website.	
	1.1. (b) Annual Investment Plan (AIP) developed through widespread stakeholder consultation and feedback	The Annual Investment Plan (AIP) sets out the investment priorities for 2025-26 in line with the first year of the new Strategic Plan, highlighting how Dairy Australia will continue to focus on maximising value for dairy farmers. To develop this annual plan, Dairy Australia consulted with ADF and ADPF, as well as listening to feedback from farmers in every region as part of the Strategic Plan consultation process. The priorities also consider government imperatives and community expectations. The 2025-26 AIP was developed to inform levy-payers, Group B members, the Commonwealth Government and the wider industry with detail regarding the investment allocation. A copy of the AIP is published on the Dairy Australia website.	
12. Demonstrated industry stakeholder engagement in the identification of RD&E priorities and activities consistent with the consultation plan in 1.1.	1.2. Annual Investment Plan (AIP) developed through widespread stakeholder consultation and feedback	As stated above in 1.1(b) the 2025-26 process included consultation with a broad group of stakeholders. RDPs were consulted at various stages of the AIP prioritisation process. Group B members, including ADF and ADPF were also consulted during this AIP development process. Stakeholder input continued to inform investment planning, strategic priorities and service development through engagement with farmers, processors, industry representative bodies, Regional Development Programs and delivery partners. Consultation outcomes influenced investment prioritisation, service design, data-sharing initiatives and strategic improvement activities throughout FY25-26, including ADPF Executive engagement on industry data and reporting, processor data-sharing	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
		commitments, Strategic Plan performance reviews and national industry engagement across workforce, extension and sustainability initiatives. Dairy Australia engages with ADF National Council, Policy Advisory Groups, Industry Reference Groups (IRGs) and ADPF to ensure they are supported with appropriate information and data so that participants remain well informed and able to provide input into AIP priority setting.	
1.3. Demonstrated incorporation of industry stakeholder feedback on RD&E priorities and activities. Where incorporation is not possible, demonstration of feedback to a stakeholder/s on why incorporation was not possible.	1.3. (a) As part of the consultation process feedback following prioritisation is shared with stakeholders.	Following investment prioritisation, outcomes are shared with stakeholders as part of the consultation process. Where incorporation is not possible this feedback is also provided to stakeholders. The method in which the feedback is provided is based on the engagement and stakeholder. Stakeholder feedback-to-decision example: Presentations to the ADPF exec committee, resulting in two processors commitment to additional data contributions substantially closing sales data gaps. Further information is published in the Dairy Australia Annual Performance Report. Majority of the investments for 2025-26 was allocated to the execution of strategic priorities. A total of \$48.6 million has been allocated directly to the three strategic priorities, \$5.6 million to the four strategic enablers and \$9.1 million to ongoing business operations. Further information on this is published in the Annual Investment Plan 2025-26.	
	1.3. (b) Final AIP published on the Dairy Australia website	A copy of the AIP is published on the Dairy Australia website and publicly available.	

2. Research Development and Extension Activities

Performance Principle outcome: Ensure Research and Development Activities, Marketing Activities and associated priorities are strategic, collaborative and targeted to improve Industry profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a Balanced Portfolio.

- Balancing long-term, short-term, high and low risk, and strategic and adaptive research.
- RD&E activities address Levy Payer and government priorities.
- Delivering impact “on the ground”.

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
21. RDC investments align with strategic plans and have demonstrated outcomes to levy payers and taxpayers, including through growth in the industry, increased profitability of producers, commercialisation, access to new markets.	21. (a) An established internal Investment Review Panel (IRP) to assess ongoing investments and their alignment with the strategic priorities.	An Investment Review Panel (IRP), operating under a formal charter, assesses all proposed investments and projects ensuring alignment to the Strategic Plan and Annual Investment Plan. All projects submitted to IRP for approval outline the strategic priority alignment and outcome, problem or opportunity the investment addresses, impact or lost opportunity with not proceeding, budget and estimated delivery date, and benefits to farmers and the industry. This is captured in the Project Initiation Request template and recorded in the Portfolio Management System. Additionally, it considers the level of risk associated with investing in the project and return. The half yearly progress reporting and Annual Performance reporting provides evidence on investments delivering against Strategic Plan outcomes, including increased farmer understanding of cash, profit and wealth from 70% to 72%, increased farmer knowledge of their carbon footprint from 23% to 27%, growth in clover adoption from 2% to 10%, upward movement in perennial pasture persistence, and strong adoption of herd improvement technologies, with DataGene exceeding targets for genomic testing and HerdData App users. Additionally, relevant stakeholders are consulted during the initiation stage and the outcome of the IRP decision is communicated back to the stakeholders (internal and external). The investment portfolio covers extension outcomes, capability development, applied research, transformational innovation, climate resilience and sustainability priorities, Cash, Costs and Margins, Managing People, Countdown and Better Heifers, research and innovation investments such as DairyHIGH2, DairyBio, Dairy Feedbase and methane reduction research.	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
		Investment approvals are made under the Delegations of Authority (DoA) and delivered through projects with third parties, extension through RDPs, and third-party service providers to ensure optimal outcomes for the industry and delivery of the strategic priorities in the most cost-effective manner. Under the DoA projects above IRP approval limits are referred to the Board for investment approval. Additionally, Dairy Australia carries out benefit cost analysis and the Adoption and Diffusion Outcome Prediction modelling to identify outcomes and adoption where required.	
22. Levy payers who participate in RDC supported extension and adoption programs: - gain new knowledge or new information to improve their long-term profitability, productivity, competitiveness and preparedness. - intend to make or have made changes to existing practices by adopting the outcomes of R&D.	22. (a) Farm Delivery to operate as a business unit of Dairy Australia embedding a regional focus and fosters connected effective relationships within dairy communities to support dairy farmers gain new knowledge and information as well as facilitate adoption (delivery services that result in adoption and practice change on farm)	Farm Delivery provides a diverse and capable team locally in dairy regions to lead and facilitate extension services. Significant investment in staff development and the use of technology have raised the focus on engagement, as a first step to extension service delivery. The continued focus on product development and regional adaptation ensures that new extension services meet the needs of farmers that operate diverse farm systems. A new monitoring, evaluation and learning framework is being piloted that supports practice change beyond the completion of the activity and provides a mechanism to record outcomes, enabling a more sophisticated approach to evaluate the effectiveness of extension activities. Farmers engaged through Dairy Australia extension services reported making better decisions, while active Farm Engagement Lead relationships contributed to increased participation in extension activities. These initiatives supported the adoption of R&D outcomes and encouraged practice change to improve productivity and profitability.	
	22. (b) Contribute to technical expertise within regions, across regions, and nationally	Dairy Australia strengthened technical expertise nationally and across regions through the delivery of extension services and regional initiatives, supported by regionally relevant, farmer-led engagement providing individual farm visits. Technical capability was further enhanced through implementation of the National Extension Strategy and targeted learning plans to build the skills of farmer-facing staff and service providers. By improving the capability of those delivering services, farmers gained access to consistent, high-quality technical advice and support.	
	22. (c) Providing a one-stop shop embedded in dairy regions – being the local and regional	Dairy Australia defines eight dairy regions across Australia and invests in local teams in each of those regions. The local teams provide a suite of Dairy Australia services and a direct connection between dairy communities and the Dairy Australia network.	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
	point of contact, referral and/or coordination	Both local teams and national staff collaborate with relevant stakeholders to coordinate regional responses for critical issues, and collective industry responses (e.g. Govt inquiries, funding calls).	
	22. (d) Farmers who participate in extension and adoption programs obtain benefits and either have or intend to adopt the new practices	At the project initiation stage farmer's willingness to adopt the tools or practices is considered and presented to the IRP prior to approval under a benefit-cost analysis, threshold analysis and ADOPT model.	

3. Collaboration

Performance Principle outcome: Undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors

- Collaborate across the agricultural innovation system to address common challenges and opportunities, including through active participation with AIA on cross sectoral and transformation outcomes.
- The RDCs collaborate with the AgriFutures Emerging Rural Issues forum, 8 Innovation Hubs across Australia, evokeAG online platform and event and growAG platform where relevant.

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
3.1. Completed, current and future R&D including commercialisation opportunities is accessible through the growAG platform.	3.1. (a) Partnerships	Dairy Australia works with trusted partners so that research and innovation is practical, relevant and delivers results for farmers. Australian research institutions: Working with Australian universities and research organisations that understand local dairy systems, conditions and pressures, so research reflects real farm environments and turns into practical outcomes farmers can apply with confidence. International research organisations: Linking with global dairy research leaders to compare performance, share lessons and co-invest in solutions that tackle common challenges, while making sure the results suit Australian farming conditions. Government and cross sector partnerships: Collaborating with governments and other agricultural industries to tackle shared issues, avoid duplication and pool investment, so more funding ends up delivering useful outcomes for farmers. Regional Development Programs: Partnering with regional groups who know their local dairy communities to tailor support, improve delivery on the ground and strengthen connections with local agencies and services. Innovation partners: Dairy Australia works with a broad network of innovation partners, including AgTech companies, start-ups, investors and innovation hubs, to identify and evaluate technologies that can address current and future challenges facing Australian dairy farmers. By maintaining visibility of global innovation trends and connecting promising technologies with industry needs, Dairy Australia helps ensure new tools and approaches are practical, relevant and suited to Australian farming conditions.	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
		Through activities such as trials, pilot projects and on-farm validation, Dairy Australia supports the assessment and adoption of innovations helping reduce implementation risk and accelerate the delivery of measurable productivity, profitability and sustainability benefits for farmers. Some collaboration outcomes included co-funded research investments and partnerships with CSIRO, DataGene, DairyBio, the University of Sydney, the Tasmanian Institute of Agriculture, the Gardiner Foundation and the ZNE Ag CRC. Dairy Australia also contributed to cross-RDC market development through the Taste the Wonders of Australia collaboration with MLA, Hort Innovation, Wine Australia and Seafood Industry Australia, and supported international market development through the China Scholarship Program, Cambodia market work and the National Foundation for Australia-China Relations. More information is available in the Annual Performance Report.	
	3.1. (b) Listings on the growAG website	There are 72 Dairy Australia projects listed on the growAg website.	
	3.1. (c) Participation in Agri Futures evokeAG	Directors and management participated in evokeAG.	
	3.1. (d) Participation in Agri Futures Emerging National Rural Issues (ENRI) process	ENRI supported through participation, planning, and engagement.	
32. Number and quantum of cross-industry and cross-sector RD&E investments available.	32. (a) Cross RDC communications and collaboration	Cross RDC communications consultation currently takes place via the Council of RDCs on a range of common topics. The focus of these discussions is on sharing communications approaches and aligning where possible.	
	32. (b) Work collaboratively with the Council of RDCs and directly with specific RDCs on further opportunities to address shared challenges	Joint RDC initiatives drive change on farm or in export markets: • Ongoing discussion with MLA on joint ACCU development work. • Planning for the next delivery of Joint RDC in-market events. • Work with ABRES and CCRDC on a Productivity Mission. • Work with CCRDC on joint RDC publications • Work with CCRDC on a National Food and Fibre Education Strategy execution. Project 1 due in December. • Nearing completion on the following CCRDC projects:	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
		• Systems thinking in Australian Agriculture. • ROI Methodology Review and Enhancing Data Sharing Across the RDC System.	
	32. (c) Cross-industry projects	Dairy Australia financially contributed to cross-sectoral collaboration with other research and development corporations: As listed below, Dairy Australia contributed to seven cross-sector collaborative investments: • Calfways \$150,000 - Meat & Livestock Australia (MLA). • Developing a sustainable model for council-run silage plastic recycling services \$100,000 – MLA. • Plant Biosecurity Research Initiative – Fall Armyworm \$42,000 - Hort Innovation. • Rural Health & Safety Alliance 2 \$20,000 – AgriFutures. • Cross-RDC Artificial Intelligence (AI) Alliance \$20,000 - Council of Regional RDCs. • Ag Safety Data Net Dairy Industry Report \$15,000 – AgriFutures. • Animal Industries Antimicrobial Stewardship \$11,040 – MLA.	

4. Governance

Performance Principle outcome: Governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and Proper use and management of Funds.

- Good governance ensures stakeholders are well informed and have visibility of the RDC's investments, priorities and achievements.
- Committee structures and corporate policies enable the RDC to manage day-to-day business activities and fulfil reporting obligations.

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/not met?
4.1. Ongoing oversight, planning and reporting of investment activities is done in accordance with legislative and Australian Government requirements and timeframes.	4.1. (a) Quarterly Portfolio Review	A quarterly portfolio review is also undertaken to monitor progress and action taken toward the achievement of the Annual Investment Plan.	
	4.1. (b) Half Yearly Performance Reporting Scorecard	Under the new Strategic Plan and AIP, two half-yearly Strategic Performance Scorecards are prepared to track performance. These internal reports are shared with DAFF, ADF and ADPF, and provide an evidence base for the Annual Performance Report.	
	4.1. (c) Dairy Australia Annual Report and audited financial statements	In line with the requirements set out under the Australian Charities and Not-for-Profits Commission Act 2012 (Cth) Part 3-2, Div 60, 60-5(1), 60-10(1) and 60-25, Dairy Australia prepares its 2025-26 Annual Financial Statements and Annual Report, which are audited prior to submission to the Australian Charities and Not-for-Profits Commission. The Annual Report is published on the Dairy Australia website.	
	4.1. (d) Dairy Australia Annual Performance Report to outline key achievements against each priority/portfolio	The Dairy Australia Annual Performance Report outlines the key achievements for 2025-26 under the AIP and aligned with the delivery of the Strategic Plan. The Annual Performance Report is informed by the two half-yearly Strategic Performance Scorecards and is provided to the Minister each year. The Annual Performance Report is published on the Dairy Australia website and is the public-facing report on annual performance.	
4.2. Demonstrated management of financial and non-financial risk.	4.2. Established Risk and Compliance Management Framework capturing both financial and nonfinancial risks	Dairy Australia maintain a Risk and Compliance Management Framework capturing both financial and non-financial risk. The Audit and Risk Management Committee (ARMC) convene 4 times each year and is established under ARMC Charter which is reviewed every 12 months. The ARMC charter sets out the role, responsibilities, duties, composition and membership requirements of the ARMC. The Committee assists the Board of Directors in fulfilling its oversight responsibilities.	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
		A comprehensive enterprise-wide review of all its financial and non-financial risks were undertaken, presented and discussed at the March 2026 ARMC and Board meeting. On a quarterly basis a deep dive into selected risks is undertake by the Audit and Risk Management Committee. Quarterly Risk and Compliance reports are presented to the ARMC and Board. Additionally Risk and Compliance reporting is a standing agenda item on all ARMC and quarterly Board meetings.	
4.3. Relevant policies and procedures adopted and implemented (e.g., privacy etc).	4.3. (a) Up to date Policies and Procedures in place and implemented within the business	4.3(a) Under its Compliance Management Framework Dairy Australia maintains several policies and procedures to support its compliance obligations under both Commonwealth and State legislation and regulatory requirements including the requirements under the SFA. The policies and procedures are reviewed every 2 to 3 years at minimum or as and when required. A number of policies and procedures were reviewed, updated, and approved during FY25-26, where required policies and procedures have been endorsed by the Audit and Risk Management Committee, People and Culture Committee and approved by the Board.	
	4.3. 4.3 (b) Internal Audit and Assurance activities	4.3(b) Dairy Australia has in place an Internal Audit and Assurance function that carried out four audits for FY25-26 with outcomes reported to the ARMC. Internal Audit reported directly to the Chair of the ARMC.	
4.4. Non-financial resources implemented effectively (Human resources, IT, IP etc).	4.4. Established business support services embedded in the business	4.4 Critical business support services such as Human Resources, IT, IP, Marketing and Communications, Strategy, Project, Innovation, Farm Delivery and Finance are well established with skilled knowledge, process and systems to ensure on going management of financial and non-financial risk and compliance. During 2025-26, Dairy Australia implemented a new Artificial Intelligence Policy to guide the responsible use of artificial intelligence across the organisation, including requirements for appropriate use, governance and protection of organisational data. Dairy Australia completed an IT managed services provider RFP, selected a new provider and prepared for transition early in FY27 to improve service delivery, resilience and vendor accountability, and reduce costs. Dairy Australia also consolidated disparate file storage locations into a single cloud-based solution, improving information access, collaboration, governance and security.	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
		FY26 H2 performance evidence demonstrates effective management of non-financial resources through organisational capability improvements, including DairyBase cloud migration discovery, data platform modernisation activities, development of an Engagement Scoring Framework, Salesforce reporting enhancements, PeoplesHub and HRIS improvements, launch of National Salary Packaging, strong employee engagement, farmer communication uplift activity and AI-enabled search improvements.	

5. Monitoring and Evaluation

Performance Principle outcome: Demonstrate positive outcomes and delivery of Research and Development Activities, Marketing Activities and associated benefits to Levy Payers and the Australian community in general and show continuous improvement in governance and administrative efficiency.

- Suitable mechanisms and processes in place that enable regular impartial reviews of performance, and identify improvement opportunities.
- Demonstrate that investments are striving to achieve meaningful RD&E outcomes and priorities.
- Communicate the results of the impact and benefits of RD&E activities and investments to stakeholders and the government.

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/not met?
5.1. Impact (cost - benefit) assessment of a broad cross-section of RD&E [and marketing] investments undertaken annually.	5.1. (a) Investment Performance	Dairy Australia's strategic priorities consist of sub-priorities with outcome statements for each sub-priority. DA ensures the right proportion of investment is made in each of the pillars every year under the Annual Investment Planning process. The Annual Performance report outlines investments and performance; this is shared with Stakeholders and published on the Dairy Australia website. The Strategic Performance Scorecard provides a stronger evidence base for demonstrating that monitoring and reporting is not limited to process compliance, but is being used to track progress against outcome measures and identify where corrective action, further investment or delivery adjustments may be required.	
	5.1. (b) Half Yearly Strategic Performance Scorecard	Dairy Australia has developed a Strategic Performance Scorecard to measure the impact of its investments in each strategic priority. Two half-yearly Strategic Performance Scorecards are prepared each year to assess progress against Strategic Plan outcomes, AIP delivery and relevant performance measures. These internal reports are shared with the Department of Agriculture, Fisheries and Forestry and inform the public Annual Performance Report. During FY25-26, Dairy Australia strengthened its monitoring and evaluation capability through implementation of a Monitoring, Evaluation and Learning (MEL) framework, strategic performance scorecards, farmer follow-up evaluation and improved extension impact measurement. These activities supported assessment of progress against Strategic Plan outcomes, including farm business capability, workforce capability, sustainability, community trust, export market competitiveness and extension outcomes, and informed future investment and service delivery decisions. Dairy Australia continues to improve its MEL framework.	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
	5.1. (c) Strategic Plan factors investment in a broad cross-section	Dairy Australia strategic priorities focus on sub priorities and clear goals with baseline measurement and targets. As part of its investment decisions, Dairy Australia ensures the right proportion of investment is made in each of the priorities which factors investment in a broad cross-section that will benefit farmers and industry.	
	5.1. (d) Investment benefits identified and communicated	In the investment decision process, Dairy Australia undertakes impact assessment on projects across the investment portfolios, wherever possible quantifying the net benefits of these investments to levy payers and the Commonwealth.	
	5.1. (e) Pre-investment assessment process	Pre-investment assessment (ex-ante) - established to support and encourage Dairy Australia-wide investment analysis of levy payer and Commonwealth funds and to make the pre-investment assessment process more efficient, Dairy Australia has developed a pre-investment assessment business cost analysis template and Quick Reference Guide to support the process.	
	5.1. (f) Post-investment assessment process	Post-investment assessment (ex-post) – Dairy Australia aims to complete three post-investment assessments per year on completed projects across the total portfolio. External consultants (economists) undertake two assessments, and Dairy Australia undertakes two assessments internally with independent (external) peer review. Project selection is based on Guiding Principles adopted by the Dairy Australia Leadership Team. Dairy Australia conducted ex-post evaluation of the five projects under DairyFeedbase 2017-2023: First 100 Days, Cool Cows, Smart Feeding, Pasture Smarts and FVI Futures.	
52. Demonstrated consideration of and response to outcomes of monitoring and evaluation processes.	5.2. (a) AIP Planning Process	Coinciding with the annual review of the AIP and at the beginning of each financial year the Strategy and Planning Team with Portfolio Sponsors and Project Leads reviews annual targets and alignment with Strategic Outcomes and sets or resets targets where necessary. Internal and external stakeholders are consulted throughout the process.	
	5.2. (b) Quarterly Strategic Scorecard Performance Reporting	Quarterly performance is captured in a bottom-up process by reporting project performance through quarterly dashboards capturing outcome focussed key highlights/achievements, performance against KPIs and risk encountered during the quarter. The quarterly performance measurement is raised to a strategic level at quarterly Strategic Scorecard Performance Review and Cross-Priority Review meetings, where	

Key Performance Indicator (KPI)	Measurable	Actions taken and progress against KPI	KPI met/ not met?
		quarterly performance is discussed with respect to how the portfolio is tracking against targets set for the five-year strategic plan. The process concludes with the half year Strategic Scorecard Performance Review - Executive Summary presented to the DA board. The process enables a constant alignment with strategy and feedback from the Board to Project Leads DA's metrics framework comprises project level metrics reported by Project Leads in the Quarterly Performance Report and strategic level metrics 'Strategic Indicators' reviewed in QPR and Cross-portfolio meetings and reported in the Quarterly Performance Reporting - Executive Summary.	
	52. (c) Post-Impact Assessment	The process of Impact Assessment with respect to post-investment assessment includes management response to the findings and recommendations of the assessment.	
	52. (d) Independent Performance Review	Under the SFA, Dairy Australia commissioned an independent performance review upon request by the Commonwealth. The review covered the financial year period 2021-2025 and was carried out by KPMG. The results of the review along with Management response to findings were shared with DAFF, ADF and ADPF. A copy of the report was published on the Dairy Australia website. A program of work has been established to address the findings with updates on the progress shared with DAFF and published on the Dairy Australia website.	
5.3. Transparent communication to stakeholders (including government) on the impacts and benefits of the RD&E [and marketing] activities.	5.3. (a) Quarterly Portfolio Review	Quarterly portfolio review is also undertaken to monitor progress and action taken toward the achievement of the Annual Investment Plan and RD&E activities.	
	5.3. (b) Annual Performance Report	The Annual Performance Report outlines Dairy Australia's key achievements against the Strategic Plan and Annual Investment Plan. It is informed by the two half-yearly Strategic Performance Scorecards and provides the public-facing annual account of performance, impact and benefits delivered to levy payers, government and stakeholders. The Annual Performance Report is provided to DAFF, ADF and ADPF and published on the DA website. The findings, key recommendations, and management responses from post-investment assessments are included in the Annual Performance Report each year.	



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