

Dairy Australia Board Skills Matrix 2023

The Board is committed to delivering value to levy-paying dairy farmers and other stakeholders and sustaining the growth and success of the dairy industry while meeting our wider social obligations.

Key functions of the Board are to monitor the operational and financial performance of the company and oversee its business strategy including approving the 5 year strategic plan, annual operating plans and budgets.

With these objectives and functions in mind, the Board has established a framework for managing Dairy Australia including relevant internal controls, risk management processes and corporate governance policies and practices. This framework promotes responsible management and is appropriate for our business.

To effectively discharge its oversight and governance responsibilities, the Board must be skill-based and have an appropriate mix of skills and experience having regard to the business and strategy of the company. These skills are set out in the Board Skills Matrix for 2023 below. The Matrix shows the 13 skills together with the key elements that fall within each skill.

Each current Director has rated their level of competence in each skill/experience having regard to the key elements. The Board Skills Matrix shows the number of current Directors who have 'strong' or 'intermediate' skills/experience in each category.

In addition to the collective skills set out in the matrix, under our Constitution the Board must have at least four directors with milk producer skills. In selecting directors with milk producer skills for election by members, the Board seeks current dairy farmers with a mix of backgrounds and experience in relation to the region in which they farm, the size of the farming enterprise and the farming system in place at the enterprise.

Skill	Strong	Intermediate
A. Dairy Industry Knowledge	4	4
<ul style="list-style-type: none"> Dairy processing and manufacturing knowledge Trade and world dairy markets knowledge Industry structure and networks knowledge Environment / natural resource management knowledge People capability & careers knowledge Social licence to operate knowledge 		
B. Farm Systems / Milk Producer Skills	4	1
<ul style="list-style-type: none"> Farm business management, with knowledge of the drivers of profitability & productivity in diverse dairy farm systems Management of animal performance and welfare Feedbase management Experience in the use of innovative technology on farm 		

Skill	Strong	Intermediate
C. Research, Development and Adoption	4	3
<ul style="list-style-type: none"> • Understanding of agricultural innovation • Management and evaluation of R&D • IP management, technology and technology transfer • Commercialisation of research • Extension and education from R&D 		
D. Agribusiness	3	3
<ul style="list-style-type: none"> • Management of a large-scale agribusiness • End to end supply chain experience in agribusiness • Project management involving large-scale investment and long-term investment horizons • Future farming and agricultural technologies 		
E. Leadership	4	4
<ul style="list-style-type: none"> • Leading organisations to improve business performance and achieve organisational goals • Development of corporate culture throughout an organisation 		
F. Governance Oversight	4	4
<ul style="list-style-type: none"> • Understanding of governance issues in a complex environment • Implementing and providing direction on organisation-wide governance policies, systems and frameworks 		
G. Strategy & Change Management	5	2
<ul style="list-style-type: none"> • Assessing, monitoring and constructively reviewing strategic objectives and delivery • Identification and critical assessment of strategic opportunities and threats to a business • Leading organisational change 		
H. Business Development	2	2
<ul style="list-style-type: none"> • Growing businesses in existing and new markets • Client service strategy and delivery 		
I. Product Promotion and Marketing	1	2
<ul style="list-style-type: none"> • International/export and domestic market access • Commercial sales and customer experience & management • Delivering growth through product promotion and marketing (including social marketing) 		

Skill	Strong	Intermediate
J. Stakeholder Engagement	4	3
<ul style="list-style-type: none"> Engagement and communications with external stakeholders in industry and government Public policy and administration, and the regulatory environment. 		
K. Finance	3	3
<ul style="list-style-type: none"> Financial accounting, reporting and budgeting Financial literacy 		
L. Audit, Risk and Compliance	2	5
<ul style="list-style-type: none"> Monitoring the effectiveness of audit, risk and compliance frameworks, policies, processes and controls Identification of financial and non financial risks Developing effective policy and procedures to manage risks 		
M. Human Resources	2	4
<ul style="list-style-type: none"> Succession planning Developing Workplace Health and Safety strategies and initiatives Understanding of diversity issues Performance management Developing and implementing people, culture and remuneration frameworks, policies and practices 		
N. Sustainability	2	2
<ul style="list-style-type: none"> Understanding of regulatory environment Understanding of potential risks and opportunities Experience in overseeing and implementing programs 		

Specific skills and experience - 2023 AGM candidates

Based on the assessment of the skills possessed by the Board, the Board has determined that the candidates for election at the 2023 AGM should possess the following specific skills and experience taking into account the specific skills required in the funding agreement, the nature of the business and affairs of the company and the skills specifically required of milk producer directors on the Board:

Specification - Agribusiness, Innovation and Adoption Skills (1 Director)

Demonstrated ability in a leadership role in an agribusiness entity of commercial scale and complexity in the dairy or another sector, with a strong focus on innovation and adoption in the farming area.

Demonstrated capability in strategy related to:

- the drivers of productivity including adoption on farm of research, development and new technologies.
- the sustainability landscape including the regulatory environment and oversight and implementation of programs.
- the commercial drivers of business innovation and culture

An understanding of:

- change management.
- market and business development
- the interface between the private sector and government.

A strong network in professional, business, dairy, other agricultural sectors and government relations.

Specification - Dairy Supply Chain & Product Promotion Skills (One Director)

Demonstrated ability in leading and managing dairy processing, manufacturing and/or fast-moving consumer goods (FMCG) operations at a significant scale, with a broad understanding of current and emerging dairy products, processing trends and issues.

Experience in linking manufacturing operations to the whole supply chain. This will include an understanding of commercial, financial and profitability drivers across the chain, including:

- milk pricing and supply.
- dairy industry structure and networks.
- trade and world dairy markets and international/export and domestic market access.
- product promotion and marketing ideally including commercial sales and customer experience and management.
- business development.

Specification - Milk Producer Skills (Two Directors)

Broad perspective and general business acumen developed through involvement in industry or representative bodies, including experience in board and governance roles. Prior experience in developing and approving strategic and operating plans and associated budgets.

Demonstrated capability in:

- all facets of milk production/dairy farm systems particularly dairy industry structures and networks.
- understanding of economic, social and environmental sustainability and environment/natural resource management.
- feedbase management, farm business management, including drivers of profitability and productivity in diverse dairy farm systems, and animal performance and welfare.
- research and development adoption, including innovative farming method adoption and change management to drive such adoption.
- engagement and communication with levy payers, dairy industry groups and broader agricultural networks.
- the people challenges associated with dairy farm systems including competencies, career pathways, people management, ownership structures and health, safety and wellbeing issues.

Personal Attributes

In addition to the essential skills and experience, Dairy Australia expects Non-Executive Directors to demonstrate the following personal attributes:

- Passion and commitment to improving the profitability and sustainability of the Australian dairy industry.
- Preparedness to undertake dairy industry visits to understand the operating environment and engage with levy payers and regional management.
- Professional demeanour with high standards of honesty, integrity and collaboration.
- Ability to influence and to communicate/explain a point of view and consider alternative points of view.

Balance and Diversity

Dairy Australia recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, experience and backgrounds, including:

- regional and geographic background
- industry experience
- research and development experience
- farming systems
- farm size
- race, gender and other distinctions between Directors