

Regional Workshop: Bunbury

Workshop Output Report



Background

The Bunbury regional workshop is one of 23 regional workshops designed to contribute to the development of the Australian Dairy Plan – a nationwide plan for a profitable, confident and united dairy industry. This report captures the discussions held at that workshop. It is intended to provide a record for workshop attendees and a basis for those who could not attend the workshop to contribute to the conversation. This report will be combined with the reports of the other 22 regional workshops in the development of the Australian Dairy Plan.

Workshop sessions

1. **The Set-Up: Why will this Plan be different?**
2. **How big is the appetite for change?**
3. **What needs to change?**
4. **What needs to be done?**
5. **What is success for the Australian dairy industry?**

Workshop details

Date: 30 May 2019

Location: Sanctuary Golf Resort, Bunbury

Facilitator: Craig Knox Lyttle – Nous Group

Coordinator: Western Dairy, WA Farmers

Attendees: 49 attendees, including 22 farmers

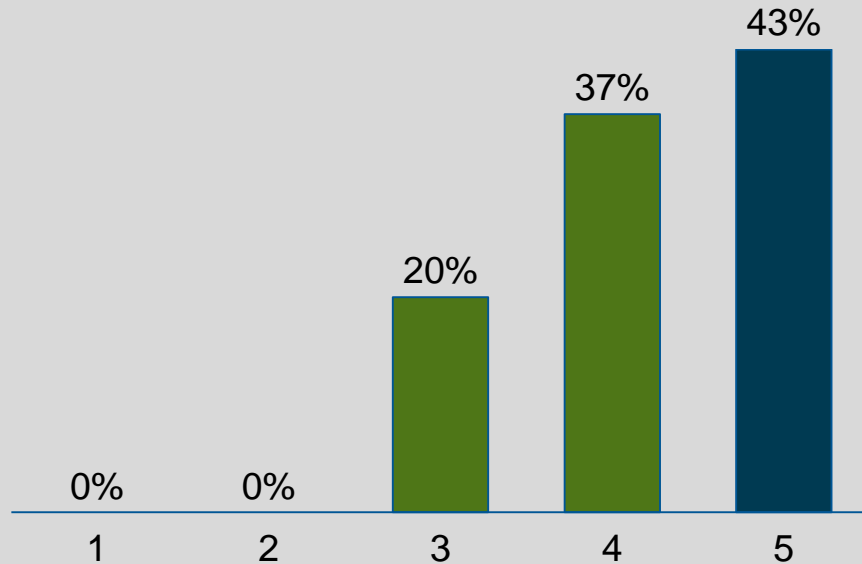
1. The Set-Up: Why will this Plan be different?

The facilitator set out the purpose of the Australian Dairy Plan and the workshop

- This is a great opportunity to shape the future of dairy by contributing to the development of the ADP
- But you've heard this before - what's different about this Plan? Why get involved?
- The key players are working towards one national dairy plan, one set of national priorities, one voice in championing these priorities – that gives us more ability to drive change
- This time the plan is being built from the 'bottom-up' i.e. by the people with 'skin in the game' – you!
- The partners are committed to turning the plan into action through their individual strategic plans

2. How big is the appetite for change?

Participants voted on “how much change is required to get the industry to a better place”



N=35

1 = minor change, 5 = major change

In discussing the results, we agreed...

Why we need to change:

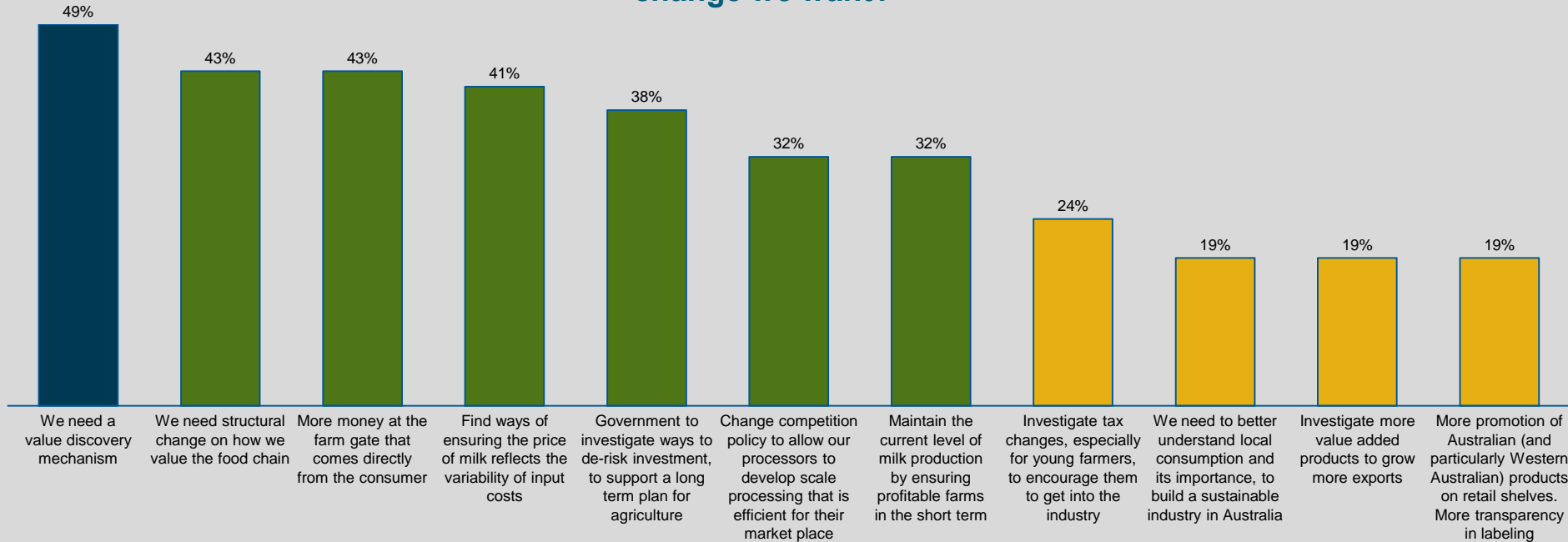
- There's no future the way we are going. We want change – but it has to be about farmgate profitability
- Structures need changing. They are not supporting us
- The marketplace is not delivering. Farmers and processors have lost control of getting fair value out of the marketplace. We need mechanisms to get a higher price when we have a bad season
- Our population is growing, and per capita consumption is slowly growing, while production is falling: self-sufficiency and food security for dairy are real risks for Australia
- ACCC blames the processors which is a narrow view. The supermarkets are the ones that are anti-competitive. This needs changing
- Consumers don't ascribe sufficient value to milk. People are paying \$8 for high sugar products, but won't pay for a quality pure product. We need better education on the health benefits of dairy

On the other hand:

- There isn't too much wrong in WA – as long as we get rain
- We have the basis in our structures for what we need to move on, without starting with a clean sheet of paper. It's the glue that is missing between the stakeholders that is holding us back
- The consumer does have a greater willingness to pay for dairy

3. What needs to change?

Participants voted on “where should we be focusing our efforts and energy to get the change we want?”



N= 37

Top 10 ideas by votes, as a percentage of participants voting on their Top 5

4. What needs to be done?

We further developed our top 5 prioritised ideas by thinking about what success would look like, how we might get there and what might hold us back.

Develop value discovery mechanisms

The government and the community need to ask themselves if they need dairy. If so, there needs to be more value filtering to primary producers. You can't eat iron ore.

We need to highlight the nutritional value of dairy, and the value and importance of dairy to regional communities.

We need a clearer value proposition to government. A lack of young people coming into the industry, creativity and innovation will hold us back.

There needs to be a WA specific plan and strategy for dairy only. Make WA dairy producers primary producers again.

We need structural change on how we value the food chain

Overall, we need greater competition for farmer products, and an increased processor capacity in WA so we can expand into international markets.

There needs to be better consumer knowledge of facts. Be proactive in promoting our social licence to operate.

A floor price to cover the cost of the production should be introduced, along with greater regulation.

We also need to look to reduce production costs – there are two sides to profit. Without greater margins, we do not have the ability to invest in technology.

Ways to get more money at the farm gate

We need to do a better job of promoting our product through a joint industry marketing campaign, similar to how beef is promoted. Farmers need to be in control of this.

We need to find ways of ensuring the price of milk reflects the variability of input costs. Government needs to get behind our industry.

We are holding ourselves back through disunity.

4. What needs to be done?

Customers need to value dairy more – we need to better educate the consumer

Change the whole industry structure

Use the dairy levy to fund a single dairy advocacy body. There needs to be no free-riders and an updated constitution.

Update the current industry advocacy structure to ensure there is a single voice for dairy farmers, with direct farmer representation. The structures need simplifying – we need to undo some of the state/federal structures.

Processors to contribute to a joint fund to promote the benefits of dairy.

Egos and state-based /vested interests will hold us back. Out thinking is too siloed right now.

Investigate ways to de-risk investment

We want a profitable and sustainable supply chain. There is a significant investment hurdle for young farmers to come into the industry

We propose a form of co-investment by state governments with processors and producers.

Alongside this, we need public education and a promotion campaign on the value in the dairy industry as an employer.

5. What is success for the dairy industry?

Imagining the future of the industry, we articulated our vision by developing the front page of the industry newspaper.

THE DAIRY TIMES

June 2025

In this issue, we look at dairy's journey to 2025 & celebrate the people and successes that have got the industry to where it is today.

Our day has finally come. A united industry pushes ahead despite challenges – we are a profitable and growing industry with a future. A lot has changes since 2019. In 2025 young people are joining the industry in greater numbers, and the value of dairy is acknowledged by the market place.

“ I'm looking forward. Finally we can start seeing a profit.

”

- Dairy farmer

“ We are also looking forward. We are reinvesting in our businesses, and are pleased to offer our farmers more money after years of dispute.

”

- Processor

“ When people come to me, I tell them to look at the dairy industry – we like to back winners.

”

- Minister for Agriculture & Water Resources

Appendix. What needs to change? (full list of results)

Participants completed a survey on the workshop

- We need a value discovery mechanism
- We need structural change on how we value the food chain. There are many cheap imports that undercut our local product and we don't know how they are made
- More money at the farm gate that comes directly from the consumer
- Find ways of ensuring the price of milk reflects the variability of input costs
- Government to investigate ways to de-risk investment, to support a long term plan for agriculture
- Change competition policy to allow our processors to develop scale processing that is efficient for their market place
- Maintain the current level of milk production by ensuring profitable farms in the short term
- Investigate tax changes, especially for young farmers, to encourage them to get into the industry
- We need to better understand local consumption and its importance, to build a sustainable industry in Australia
- Investigate more value added products to grow more exports
- More promotion of Australian (and particularly Western Australian) products on retail shelves. More transparency in labeling
- We need to change the whole industry structure, i.e. R&D, lobbying and advocacy etc.
- We need to promote our social licence to operate and our environmental licence to operate. We need to sing from the same hymn book
- Support mechanisms to increase innovation on new processes
- Identify ways to couple long-term sustainability with short term profitability
- We need to build a state of the art processing factory in WA, and grow the farms to support it
- Investigate changes to the 457 visa to allow us to get the right skills on farm
- Identify opportunities to increase environmental sustainability for dairy, e.g. effluent management