ANNUAL OPERATING PLAN 2024-25

JUNE 2024

DataGene Limited

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1. Introduction

DataGene is owned by the Australian dairy industry, with foundation members being Dairy Australia, Australian Dairy Farmers (ADF) and the National Herd Improvement Association (NHIA). In June 2024, total membership of DataGene was 28 members including herd test centres, genetics suppliers, genetic service providers, data service providers and breed associations.

This DataGene Annual Operational Plan presents the organisation's planned operations, activities, and corporate expenditure in 2024-2025. DataGene's operations and activities are directed by the Strategic Priorities within its five-year Business Plan (FY2025-2029). Please note that any financial data contained in the DataGene Annual Operational Plan 2024-2025 is accurate at the date of publication.

Our Vision

Enabling farmers and industry to maximise profit through data-driven decisions.

Our Mission

DataGene delivers world-class genetic evaluation, software, and decision-making tools to enable Australian farmers to improve their herd and maximise their profit through data-driven decisions and innovative industry services.

Our Values

1. **COMMITMENT TO CLIENTS** - We work towards shared and innovative outcomes for members and stakeholders.
2. **DIRECT, OPEN & HONEST COMMUNICATION** - We depend on genuine and sustained stakeholder engagement.
3. **INCLUSIVE** - We are genuinely inclusive and value farmer and member involvement in governance and oversight functions.
4. **INNOVATIVE** - We aim to be creative and innovative in our products and services.
5. **ENGAGEMENT WITH EMPLOYEES** - We treat our people with respect, support them in their development and value their contribution to our success.
6. **INTEGRITY & ETHICAL VALUES** - We apply best-practice corporate governance and financial management principles.

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment, and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

2. Focus Areas for 2024-25

DataGene's Business Plan FY2025-2029 consists of 13 priorities across five strategic pillars to be delivered over five financial years (2025-2029). The key focus areas for DataGene's Annual Operational Plan 2024-25 are summarised against the relevant Strategic Priorities below.

These priorities have been informed by and developed from engagement with our industries and other stakeholders to help us build on our strong foundation, and to ensure our producers are empowered to adopt the latest science, technology and tools. This will assist in ensuring we have a strong, vibrant and collaborative agricultural sector now and into the future.

STRATEGIC PILLAR	STRATEGIC PRIORITIES Business Plan 2025-29	KEY FOCUS AREAS DataGene AOP 2024-25
Make efficient decisions using data	• DataVat provides seamless transmission of data between on-farm systems, DataGene, and industry data users. • DataVat becomes the industry reporting platform for sustainability metrics. • We work with Dairy Australia, milk processors, animal health sector, and others on improved data collection and analytics. • We develop new reports, tools, and resources to help make the best whole-farm decisions.	• First stage of DataVat redevelopment completed • 1,000 herds connected to the Centralised Data Repository (CDR) via DataConnect • iDDEN integration with two equipment manufacturers
Improve sustainability and animal performance through R&D and herd improvement	• We deliver world best practice genetic evaluations. • We collect herd performance data to grow Australia's largest dairy dataset. • We assist with development of high value ABVs. • We promote the use of genomic testing.	• National Breeding Objective review completed • Revised Survival ABV and new Calf Vitality ABV delivered • Ginfo farmers are engaged and deliver 20,000 genotypes and 9,000 LTEs to the reference population
Capture and promote the value from herd improvement	• We promote the use of independent, validated and science-backed indexes and ABVs. • We effectively communicate the value proposition of data-informed decisions.	• Increase the number of heifers genomically tested • Develop and implement strategies of working with large herds on herd improvement • Engage two stakeholders within each section: finance, processor, veterinarians and farm consultants.
Diversified and improved service offerings	• We are a leader in the coordination, development and maintenance of software and data services. • We collaborate with stakeholders in livestock and other agricultural sectors to deliver services. • We work with herd recording centres to rapidly adopt technology and services.	• Grow revenue from business development by 20% • Deliver the Forage Value Index • Redevelop HerdData app

Efficiently deliver our services	• We apply best-practice corporate governance and financial management. • We have the right capability and processes to innovate and deliver value. • We sustain effective stakeholder and employee engagement. • We develop and maintain appropriate IT infrastructure, and policies.	• Maintain engagement through Standing Committees • Herd '25 conference delivers a high-quality program and is well attended • External security audit completed

3. Partnerships and Collaboration

We have a range of strategic relationships, end-users, customers, and stakeholders with which we interact, partner, and collaborate with at various levels.

Dairy farmers

- Contribute funding via dairy farmer levies paid to Dairy Australia.
- Use breeding values and tools such as the Good Bulls App, Genetic Progress Report, DataVat, and HerdPlatform.
- Buy DataGene products such as Genomic Breeding Values.
- Are a key audience for DataGene extension, communications, and marketing activities.
- Supply data to drive genetic evaluations and other research and delivery.

Service providers (breed organisations, herd test centres, etc.)

- Use breeding values and tools such as the Good Bulls App, Genetic Progress Report, DataVat, and HerdPlatform.
- Work collaboratively with DataGene on projects.
- Are a key audience for DataGene communications and marketing activities.
- Purchase DataGene services such as breeding values and software.
- Provide data to DataVat and are part of the industry's data pipeline.

Industry partners

- **Dairy Australia** is the primary funder and a founding member of DataGene. Dairy Australia also operates as a client of DataGene in the development of software solutions such as the updates to the Fertility and Mastitis Focus Reports.
- **Australian Dairy Farmers (ADF)** has a key role to ensure that DataGene's priorities and activities reflect the priorities of the dairy farmer community, in addition to DataGene's many direct interactions with farmers. We rely on the ADF to be publicly supportive of and a strong advocate for, herd improvement. We also have a direct relationship with dairy farmers through its products, services, extension, and communications.
- **National Herd Improvement Association (NHIA)** is a founding member of DataGene. We also have direct relationships with many NHIA members, who are also members of DataGene. In addition, there are important relationships with non-NHIA members such as Zoetis, Neogen, Easy Dairy and Apiam. These are key relationships for the delivery of DataGene products and services and the development pipeline for new products and services, particularly as they are major clients and contributors of data, respectively. Zoetis and Neogen deliver genomic services and Easy Dairy and Apiam provide software to the vet industry and farmers. They are key collaborators for data and data services with DataVat.

- **Agriculture Victoria** is a client for DataGene for certain projects; it is an in-kind contributor to DataGene in terms of supporting overhead costs for some in the Genetic Evaluation team; it is a user of DataGene data; and it is a strategic partner in its provision of research outputs to industry through DairyBio.
- We also work closely with other non-members, such as the Gardiner Dairy Foundation on specific projects. We collaborate with Agricultural Business Research Institute (ABRI) on key information technology development projects, particularly relating to herd testing reporting. We also work with and provide services to other industries, such as the Cotton Rural Development Corporation (CRDC) and the Australian Genetic and Breeding Unit (AGBU).

International collaborators

- **Interbull** is a vital partner to deliver accurate breeding values to the Australian industry.
- **International Dairy Data Exchange Network (iDDEN)** will become an important link between the Centralised Data Repository (CDR) and other dairy data sources.
- **Council on Dairy Cattle Breeding (CDCB)** is a valuable partner and customer for software development.
- **International Committee on Animal Recording (ICAR)** provides standards, guidelines, and networks to shape services.
- **TMA Solutions** (DataGene's IT service partner in Vietnam) work closely with DataGene staff on developing and maintaining systems and tools for DataGene's use and for development of other products for customers.
- **International genetic evaluation units** such as those in the US, UK, Canada, New Zealand and Ireland are important current and future partners for collaboration on delivering new and improved genetic evaluation tools as well as management tools.

4. Operating Environment

Industry

After predicting a stable milk production in 2023-24, Dairy Australia raised its forecast for 2023-24 milk production to around 8.3 billion litres in its May 2024 Situation and Outlook report. Milk production forecasts for 2024-25 are limited as at June 2024, but Rural Bank (May 2024) anticipates production to be slightly below the average of 8.5 billion litres in 2024/25, assuming average conditions.

Global milk prices and demand were predicted to remain flat early in 2024 and Australian farmgate milk prices expected to ease from the record highs of the 2023-24 season. Processors offered an average of $9.50 to $9.80/kg MS in 2023 but the disconnect between local farmgate and global dairy prices meant processors did not maintain these prices at the commencement of the 2024-25 season. Opening farmgate prices were in the range of $8.00 to $8.50/kg MS for most processors. This was the first decline in four years and follows a generally strong period for Australian dairy farmers.

Australian dairy cow numbers continued to fall to 1.270 million cows in 2022-23, representing a 4.9% decrease from 2021-22. Australian exports of live dairy heifers have fallen in 2023-24 as demand in China has softened.

With this context of weaker prices, the impact of genetics and better data driven decisions on improving the productivity of Australian dairy herds is even more apparent. In particular, the use of genomics to choose the best animals to keep in the herd becomes even more important.

In 2022-23, there were 4,163 registered dairy farms operating in Australia, a 5.8% decrease in farm numbers from the previous year. 1,722 herds participated in herd testing in 2022-23 representing total cow numbers of 444,120. This equates to 35% of all cows being herd tested and a 12% decrease in cows participating in herd testing from the previous year.

The collaboration between DataGene and the Herd Test Centres to bring new services to market, such as MIR Conception report and HerdPlatform, can help to enable these centres to grow their businesses.

Financial

A new five-year Funding Agreement with Dairy Australia (2023-24 to 2028-29) was agreed in December 2023. This is the first AOP under this new agreement.

Budgeting for 2024-25 reflected a significant focus on the internal DataConnect project which had a consequence of reduced external projects in 2023-24. The objective in this budget process was to control expenditure to deliver as close as possible to a break-even Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA), whilst maintaining a healthy Balance Sheet, and the continuation of prudent cash reserves. While we continue to invest in DataConnect, our EBITDA is forecast to be negative in 2024-25.

These outcomes are based around budgeted income from Dairy Australia in accordance with the Funding Agreement, ongoing fees for genetic service, centre services, export heifers and project work for a variety of organisations. The expenditure budget has been contained with the major investment being into staff to deliver these goals whilst maintaining cash reserves at an adequate level. Cash reserves are held to enable the company to successfully weather the cyclical nature of agriculture and to fund the future redevelopment of major pieces of infrastructure.

As always, actual performance compared to budget will be reviewed regularly throughout the year to ensure delivery of the financial goals. Should there be any shortfall in expected revenue during the year this will be mitigated by changes to expenditure which would be instituted by management in a timely manner. In addition, all expenditure is tightly controlled and options for operational efficiencies investigated.

5. Annual Operating Plan 2024-25

Delivery Priorities for 2024-25

STRATEGIC PILLAR	DELIVERY PRIORITIES FOR 2024-25
Make efficient decisions using data	• First stage of DataVat redevelopment completed • 1,000 herds connected to CDR via DataConnect • iDDEN integration with two equipment manufacturers
Improve sustainability and animal performance through R&D and herd improvement	• National Breeding Objective review completed • Revised Survival ABV and new Calf Vitality ABV delivered • Ginfo farmers are engaged and deliver 20,000 genotypes and 9,000 linear type evaluations (LTEs) to the reference population
Capture and promote the value from herd improvement	• Increase the number of heifers genomically tested • Develop and implement strategies of working with large herds on herd improvement • Engage two stakeholders within each section: finance, processor, veterinarians and farm consultants.
Diversified and improved service offerings	• Grow revenue from business development by 20% • Deliver the Forage Value Index • Redevelop HerdData app
Efficiently deliver our services	• Maintain engagement through Standing Committees • Herd '25 conference delivers a high-quality program and is well attended • External security audit completed

Key deliverables in the AOP have been prioritised as MUST DO, SHOULD DO or COULD DO according to criteria in Table 6 below. The expectation is that not all KPIs may be delivered in 2024-25 but are presented as stretch targets to drive improvements in key metrics. Activity marked with an * and in italics are capital investments that are not included in the budget attached. They will be the subject of individual investment decision papers which will be taken to the Board.

Deliverable prioritisation

1	**Highest priority and key deliverables ('MUST DO')**	• A non-negotiable requirement to meet business needs. • Critical to the current delivery timeframe for the project or organisation to be a success.
2	**Medium priority and secondary deliverables ('SHOULD DO')**	• Should have this requirement, if possible, but project or organisational success does not rely on it. • Important but not necessary for delivery in the current delivery timeframe. • They are often not as time-critical or there may be another way to satisfy the requirement so that it can be held back until a future delivery timeframe.
3	**Lower priority and will be delivered if resources allow ('COULD DO')**	• Could have this requirement if it does not affect anything else in the project or organisation. • Desirable but not necessary, e.g., could improve the user experience or customer satisfaction for little development cost. • These will typically be included if time and resources permit.

Strategic Priorities - Projects

Strategic Pillar 1 – Make efficient decisions using data:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
1.1 Redevelop DataVat to enable broader data usage and sharing	1.1.1 Complete proposal for Board on staging of redevelopment	30-Sep-24	Board of approval of redevelopment proposal	1	
	1.1.2 Build, Test, Release	30-Jun-25	First stage of redevelopment complete	1	
1.2 DataConnect provides seamless transmission of data between on-farm systems, DataGene and industry data users via DataVat.	1.2.1 Expand the acquisition of data from a range of industry participants through the DataConnect project.	31-Oct-24	Target is 1,000 farms connected to CDR	1	
	1.2.2 Continue integration of the iDDEN data exchange hub with international equipment manufacturers and the CDR.	30-Jun-25	CDR connected to iDDEN data exchange hub and two equipment manufactures	1	
	1.2.3 Support industry partners to develop APIs, tools, resources, and analysis that leverage the data for the benefit of farmers.	30-Jun-25	Extend the schema of the CDR to enable new data fields to flow between organisations via the API	1	
		30-Jun-25	Extending CDR schema to accommodate new data fields from Easy Dairy through Herd API (additional reporting) and connect Easy Dairy farms	1	
	1.2.4 Deliver Within Herd Ranking Tool results to on-farm software via API	31-Sep-24	BRD Complete	2	
		31-Jan-25	Build, test, release		
	1.2.5 Update cow ABVs to HerdPlatform weekly	20-Dec-24	BRD complete	2	
		28-Feb-25	Build, test, release		
1.3 DataVat becomes the industry reporting platform for sustainability metrics.	1.3.1 Integrate disparate data sources to enable industry report sustainability metrics and demonstrate progress.	30-Jun-25	Explore options around Milk Quality and Sustainability Reporting	2	
1.4 We work with milk processors, animal health sector, Dairy Australia and others on improved data collection and analytics.	1.4.1 Cooperate with milk processors, industry regulators, animal health sector and others to collect, analyse, and manage industry data through DataVat.	30-Jun-25	Connect daily vat data into CDR	2	

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
1.5 We develop new reports, tools, and resources to help make the best whole-farm decisions.	1.5.1 If required by partners, add functionality to group herds and add additional filters	31-Sep-24	BRD complete	1	
		15-Dec-24	Build, test, release		
	1.5.2 Support industry partners to develop tools, resources and analysis that leverage DataVat for the benefit of farmers.	30-Jun-25	Support Jantec in developing reporting for customers	1	

Strategic Pillar 2 – Improve sustainability and animal performance through R&D and herd improvement:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
2.1 We deliver world best practice genetic evaluations.	2.1.1 Conduct National Breeding Objective Review	15-Jul-24	Compile economic and genetic statistics	1	
		15-Jul-24	Undertake awareness campaign and survey		
		31-Sep-24	GESC decision on what options to test		
		15-Dec-24	Calculate economic values		
		31-Jan-25	Create Options Paper for discussion		
		30-Jun-25	Agreement on Changes to be implemented with December release		
	2.1.2.a Review the list of acceptable SNP chips and their imputation	30-Jun-25	Create Standard Operating Procedure for new chips and an updated imputation process	2	
	2.1.2.b Automation of genomic files import	31-Aug-24	BRD complete	1	
		31-Mar-25	Build, test, release		
	2.1.2.c Develop quality rules and reports for genomic files	30-Oct-24	BRD complete	1	
		30-Jun-25	Build, test, release		
	2.1.2.d Import and call genetic codes and report	30-Sep-24	Build, test, release	1	
	2.1.3 Implement new expression of type methodology	15-Dec-24	BRD complete	1	
		10-Mar-25	Build, test, release		
		10-Apr-25	Extension and comms underway		

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
2.2 We collect herd performance data to grow Australia's largest dairy dataset.	2.2.1 Improve the collection of mating data to improve daughter fertility and semen fertility	30-Aug-24	Explore the possibility of accessing data - from DPCs	2	
		06-Mar-25	Import data if accessible		
	2.2.2 Improve collection of Beef-on-Dairy data	30-Nov-24	Options paper on methods to improve data collection regarding beef on dairy animals	1	
		30-Jun-25	Extension activities to support recording of NLIS numbers of beef-cross calves		
		30-Jun-25	Support Australian Research Council (ARC) Post-doctoral position to collect data on beef cross animals	1	
2.3 We assist with development of high value ABVs.	2.3.1 Implement calf vitality ABV from DairyBio.	15-Dec-24	BRD complete	1	
		10-Mar-25	Build, test, release		
		10-Apr-25	Comms & extension activity underway		
	2.3.2 Implement revised Survival ABV from DairyBio.	15-Aug-24	BRD complete	1	
		10-Nov-24	Build, test, release		
		10-Nov-24	Comms & extension activity underway		
	2.3.3 Implement Methane ABV from DairyBio if available.	15-Dec-24	BRD Complete	1	
		10-Mar-25	Build, test, release		
		10-Apr-25	Comms & extension activity underway		

Strategic Pillar 3 – Capture and promote the value from herd improvement:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
3.1 We promote the use of independent, validated and science-backed indexes and ABVs.	3.1.1 Develop and implement large herds extension and comms plan	15-Sep-24	Develop strategies for working with large herds with a target of 100% using Good Bulls	1	
		30-Jun-25	Implementation of strategy and evidence of increased use of Good Bulls through insemination data		
3.2 We effectively communicate the value proposition of data-informed decisions.	3.2.1 Engage a wider section of the dairy industry including finance, milk companies, veterinarians and on farm consultants to communicate the value proposition of data-informed decisions.	30-Jun-25	Engagement with two stakeholders within each section: finance, processor, veterinarians and farm consultants. This engagement will lead to broadening the use of data which in turns lends emphasis to integrating more data.	1	

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
	3.2.2 Release the Mastitis App	31-Mar-25	Support a communication and extension plan for the Mastitis App in collaboration with other project partners.	2	
		30-Jun-25	Up to 200 downloads of the app	2	

Strategic Pillar 4 – Diversified and improved service offerings:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
4.1 We are a leader in the coordination, development and maintenance of software and data services.	4.1.1 Leverage expertise and capacity to provide software and strategy services to the agriculture sector.	30-Jun-25	Pending the tender process, begin development of two projects from the 2023-24 pipeline.	1	
	4.1.2 Redevelop HerdData App.	30-Sep-24	Establish business case for HerdData	2	
		30-Nov-24	BRD Complete		
		30-Jun-25	Build, test, release		
	4.1.3 Improve the Good Bulls App to include haplotypes	30-Sep-24	BRD Complete	2	
		19-Nov-24	Build, test, release	2	
4.2 We collaborate with stakeholders in livestock and other agricultural sectors to deliver services	4.2.1 Lead a discussion on closer collaboration with the red meat industry for efficient genetic evaluation and data services in the Australian livestock industry	30-Jun-25	Demonstrated effective collaboration with AGBU and Angus Australia.	2	
4.3 We work with herd recording centres to rapidly adopt technology and services	4.3.1 Begin transition to Centre software replacement	15-Dec-24	Board paper on replacement plan for Centre software	2	
		30-Jun-25	Implementation of replacement plan underway	2	
		30-Jun-25	Extend the Centre read/write DataGene API, move services (Holstein Australia, HerdData, industry reports, etc.) to Herd API, finish printable report migration	2	

Strategic Pillar 5 – Efficiently deliver our services:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
5.3 We sustain effective stakeholder and employee engagement.	5.3.1 Deliver a high quality and well attended event at Herd '25 conference	31-Mar-25	Herd '25 conference presents a high-quality program and is well attended	1	
5.4 We develop and maintain appropriate IT infrastructure, and policies.	5.4.1 Review impact of Artificial Intelligence on the business	20-Dec-24	Develop policy and service offerings in relation to Artificial Intelligence	1	
	5.4.2 Create future map of GESNP architecture and design	30-Sep-24	Architecture and design document finalised and agreed.	1	
	5.4.3 Create future map of data architecture and design	30-Sep-24	Data architecture document finalised and agreed.	1	

Strategic Priorities – Business as Usual

Strategic Pillar 1 – Make efficient decisions using data:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
1.2 DataConnect provides seamless transmission of data between on-farm systems, DataGene and industry data users via DataVat.	1.2.6 Maintain, support and enhance DataVat, including prioritised developments and upgrades.	30-Jun-25	DataVat is maintained, supported and enhanced	1	

Strategic Pillar 2 – Improve sustainability and animal performance through R&D and herd improvement:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
2.1 We deliver world best practice genetic evaluations.	2.1.4 Maintain and improve delivery of core products	Ongoing	Maintain databases, workflows and processes and continue automation of genomic pipeline	1	
		Weekly	Routine and public runs delivered on time		
		Monthly	Monitor genomic evaluation results to reduce the number of animals without results		
2.2 We collect herd performance data to grow Australia's largest dairy dataset.	2.2.3 Work with DairyBio on the routine recording of methane and feed efficiency phenotypes.	30-Jun-25	Methane and feed efficiency phenotypes are being recorded in CDR	1	
	2.2.4 Maintain the Ginfo reference population and continue to collect performance and genomic information for improved ABV reliability.	30-Jun-25	5,000 Samples 20,000 Genotypes 9,000 Linear Type Evaluations	1	
		30-Jun-25	Annual personal contact with each Ginfo farmer		

Strategic Priority	Activity		Completion Date	2024-25 Target / Outcome	Priority	Notes
2.4 We promote the use of genomic testing.	2.4.1 Work with collaborators, especially DA and genomic service providers, to continue to drive the uptake of heifer genomic testing.		30-Jun-25	Engage and influence bull companies, genomic service providers and farmers to increase the number of heifers tested. Target: 110,000	1	
			30-Aug-24	Complete report on drivers of female genomic testing on non-Australian systems		
			30-Oct-24	Engagement activities underway to reduce the number of foreign-only, female genomic tests		

Strategic Pillar 3 – Capture and promote the value from herd improvement:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
3.1 We promote the use of independent, validated and science-backed indexes and ABVs.	3.1.2 Work closely with stakeholders on common messaging regarding the value and integrity of herd improvement, indexes, and ABVs.	31-Jul-24	2024-25 Comms and Marketing plan drafted with a focus on the value and integrity of herd improvement, indexes, and ABVs	1	
		30-Jun-25	Continued delivery of Comms and Marketing Plan		
	3.1.3 Work closely with RDPs and DA to develop resources and activities that improve on-farm genetic selection and herd management practices.	30-Jun-25	Implement marketing and communications plan based on 2024-25 AOP and integrated with extension	1	
	3.1.4 Continued implementation of extension strategy targeting bull selection	30-Jun-25	Integration of DataGene extension resources into company marketing materials

Evidence of BPI use continues to increase | 1 | |
| | 3.1.5 Promote use of the Sustainability Index (SI) and tools that contribute to Australia's Dairy Sustainability Framework. | 30-Jun-25 | Use of SI continues to increase | 1 | |

Strategic Pillar 4 – Diversified and improved service offerings:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
4.2 We collaborate with stakeholders in livestock and other agricultural sectors to deliver services	4.2.2 Ongoing calculation of the Forage Value Index (FVI) for DA and Agriculture Victoria.	31-Jan-25	Breeding values and Index delivered for three types of pasture and the various regions	1	
4.3 We work with herd recording centres to rapidly adopt technology and services	4.3.2 Support rollout of HerdPlatform by Herd Test Centres	30-Jun-25	Herd Test Centres well supported to increase uptake, including MIR Conception	1	

Strategic Pillar 5 – Efficiently deliver our services:

Strategic Priority	Activity	Completion Date	2024-25 Target / Outcome	Priority	Notes
5.1 We apply best-practice corporate governance and financial management.	5.1.1 Enable new sources of revenue by collaborating with existing and new customers.	30-Jun-25	Meet the financial target for business development	1	
	5.1.2 Apply best-practice governance and financial management through robust oversight by the DataGene Board.	30-Nov-24	A professional selection process results in the election of two directors at the AGM	1	
	5.1.3 Complete a review of agreements with genomic service providers and bull companies and enter revised agreements as required.	30-Jun-25	Review complete and new agreements signed	1	
5.2 We have the right capability and processes to innovate and deliver value.	5.2.1 Maintain the capability and the capacity to innovate and deliver impactful industry projects.	30-Jun-25	Development and training needs assessed and acted upon	1	
		30-Jun-25	Ensure all staff can visit with farmers and herd improvement organisations to understand the range of data uses	1	
	5.2.2 Maintain a robust and repeatable delivery framework for internal and external application.	30-Jun-25	Ensure that all staff are aware of and follow the DataGene Delivery Framework and are applying it to all projects	1	

5.3 We sustain effective stakeholder and employee engagement.	5.3.2 Foster collaboration with industry stakeholders through established Standing Committees and other meeting opportunities.	30-Jun-25	Hold a minimum of two meetings of the Genetic Evaluation Standing Committee	1	
		30-Jun-25	Hold a minimum of two meetings of the Data Access and Standards Standing Committee	1	
		30-Jun-25	Hold a minimum of two meetings of the Herd Test Centre Committee	1	
	5.3.3 Maintain customer engagement and implement improvements	30-Jun-25	Maintain communication with users of DataVat, Centre, HerdData and the website, including any necessary training required in use of HerdPlatform, GESNP and DataVat	1	
		30-Jun-25	Provide access and training on DataVat to non-Ginfo herds that are part of research projects from DairyBio	1	
		30-Jun-25	Training sessions conducted for herd improvement advisors and farmers to upskill on use of DataVat.	1	
	5.3.4 Strive to be an employer of choice.	30-Jun-25	Review of policies for compliance with new industrial relations laws.	1	
5.4 We develop and maintain appropriate IT infrastructure, and policies.	5.4.4 Maintain a robust data governance framework through the Data Access and Standards Standing Committee.	30-Jun-25	Data Governance framework is reviewed by DASSC	2	
	5.4.5 Undertake regular system penetration testing and security audits.	30-Jun-25	Mitigate risks identified during the previous security audit and pass a new audit.	1	
	5.4.6 Maintain business continuity plan	30-Jun-25	Business Continuity Plan reviewed by Leadership Group	1	
	5.4.7 Maintain Disaster Recovery Plan	30-Jun-25	Disaster Recovery Plan maintained and tested.	1	

6. 2024-25 Financials

The financial outlook has been prepared using the following assumptions:

1. The industry continues to operate as 'business as usual'

2. Not all new project income has been identified at this stage. Historically the team has been able to deliver new projects over the 12-month period to fill this income gap.

3. A stable workforce with strong staff retention.

4. Ongoing maintenance and refinement of GESNP, CDR and DataVat will continue to occur.

5. Continued export heifer activity at 2023/24 levels

The outlook for DataGene's financial performance in 2024-25 indicates an increase in project income. The Dairy Australia Funding Agreement remains critical to the operations of the business and accounts for 41% of total income. The major expenditure is on salaries which accounts for 48% of DataGene's total expenditure. Software development costs have increased due to the increased income from project work. Depreciation and amortisation on the significant investment in IT infrastructure continue to be a major expense line. The 2024-25 budget framework will deliver a small EBITDA[1] surplus and maintain a fiscally sound cash position.

Income Statement

Other than the increase in project income through software services, budgeted income is at a similar level to the forecast previous financial year. Expenditure on salaries account for 48% of the total expenditure excluding depreciation and amortisation as we endeavour to maintain the strong skillsets we have built over previous years. Software development expense has increased from the previous year due to the projected increased project income. All expenses will be tightly controlled. This budget framework will deliver a small EBITDA surplus impacted by investment into the National Breeding Objective review and support for an ARC post-doc position working on beef on dairy.

DataGene revenue sources

DataGene has four primary sources of revenue, and its goal remains to maintain diversified income streams:

- Core funding from Dairy Australia via the current Funding Agreement which runs to 30 June 2029.
- Semen companies, genomic service providers and farmers paying for genetic evaluation services.
- Herd improvement companies paying for Centre and other related software.
- Customers paying for projects delivering improved software, tools, reports and/or services.

The final dot point, Business Development Services, generate revenue through major and minor development and consulting projects, such as with the Council of Dairy Cattle Breeding (CDCB) and the Cotton RDC. These projects require a mixture of existing staff skills and experience, such as stakeholder engagement, IT and change management, and offshore development resources which DataGene then project manages. With the exception of last year where staff were focusing on the DataConnect project, in the previous five budget years DataGene has generated new projects of similar value to that appearing in this AOP. This unidentified new project income is the major risk in this AOP. However, management has clear strategies in place which will be implemented to mitigate this shortfall risk should it materialise.

Genetic evaluation services income budget of $1,396,000 comprises service fees associated with ABV(g), pre-determined access fees, new calf testing, NASIS registrations, workability and export heifers.

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[1] Earnings before interest, taxes, depreciation, and amortization

Salaries and associated costs remain the largest expenditure item and equate to 48% of the total expenditure excluding depreciation and amortisation. Consultants' expenditure includes costs incurred for calf testing which will offset revenue for calf testing. It also includes costs associated with the National Breeding Objective, which are significant for this important project which happens every five years. Software development captures the costs to maintain GESNP, CDR, and DataVat plus project work undertaken with customers. Ginfo has moved into a maintenance phase following the efforts to deliver an increased number of herds in past financial years. Communications activities remain particularly important. All other expenditure is at similar levels to the previous financial year.

As demonstrated in previous financial years, expenditure will be monitored carefully in line with income and adjusted accordingly to maintain a sound financial position.

Table 1: Income Statement 2024-25

INCOME STATEMENT BUDGET	2024-25	2023-24
	Budget	Forecast[2]
TOTAL INCOME	6,347,00	4,967,000
TOTAL EXPENDITURE	6,317,000	5,100,000
NET SURPLUS/(DEFICIT) FROM OPERATIONS	30,000	(133,000)
Depreciation & amortisation	492,000	485,000
SURPLUS/(DEFICIT) INC NON-CASH	(462,000)	(618,000)

As shown in Table 1 above, the budget income statement show a small EBITDA surplus based on additional expenditure on the National Breeding Objective Review and the support for the ARC post-doc working on beef on dairy. On a full accrual accounting basis, considering depreciation and amortisation, the bottom line is in a deficit position. Depreciation and amortisation reflect the significant historic investment made into core IT infrastructure to create the genetic evaluation system, the Central Data Repository and DataVat. These core infrastructure pieces underpin DataGene's ability to deliver services to the industry.

Balance Sheet and Statement of Cashflow

The cash reserve position in the Balance Sheet at the end of 2024-25 is expected to be around $1.3 million.

During the year there will be investment into new storage and increased random access memory (RAM) to increase performance of the weekly runs. Additionally, there will be an investment in a new firewall to increase security, as well as scheduled laptop replacement. Total expenditure for capital has been budgeted at $91,000 for these purchases.

[2] as at March 2024

Table 2: Balance Sheet 2024-25

BALANCE SHEET BUDGET	2024-25
Total assets	5,877,000
Total liabilities	2,381,000
Net Assets	**3,496,000**
Equity	
Retained surplus	4,411,230
Current year surplus/(deficit)	(351,724)
Total Members Funds	**4,059,506**

Table 3: Cashflow 2024-25

CASHFLOW FROM OPERATING ACTIVITIES	
Cash at beginning of the financial year	1,369,000
Net cash provided by operating activities	**375,000**
Cash used in investing activities	**(43,000)**
Net increase/(decrease) in cash held	(49,000)
Cash at end of the financial year	**1,320,000**

# Appendix 1: Governance and management

DataGene Board

DataGene is governed by a seven-member, skills-based Board. Board members are elected at an Annual General Meeting (AGM) on their knowledge and experience in dairy, herd improvement, finance, and governance. The Board must include three Directors with direct expertise in dairy farm management. Directors serve three-year terms and up to three consecutive terms (i.e., nine years in total). The ongoing rotation of Directors ensures the continuing refreshment of skills and experience on the Board. One new Board member and one re-standing Board member were elected at the DataGene AGM in November 2023.

DataGene will conduct an open call for nominations in July 2024 for two Board positions that are due for election at the Annual General Meeting (AGM) in November 2024. The Nominations Committee will consider and select candidates that will stand for election at the AGM.

The Board and management will continue to review significant company policies according to the agreed rotation schedule. In 2024-25, policies for review include but are not limited to the following: Visiting Farms, Remote Work, Procurement, Independence of Directors, Directors and Officers, Parental Leave, Privacy and Health and Wellbeing.

DataGene Standing Committees

DataGene's Committee structure consists of the Genetic Evaluation Standing Committee (GESC), the Data Access and Standards Standing Committee (DASSC) and the Herd Test Centre Committee (HTCC).
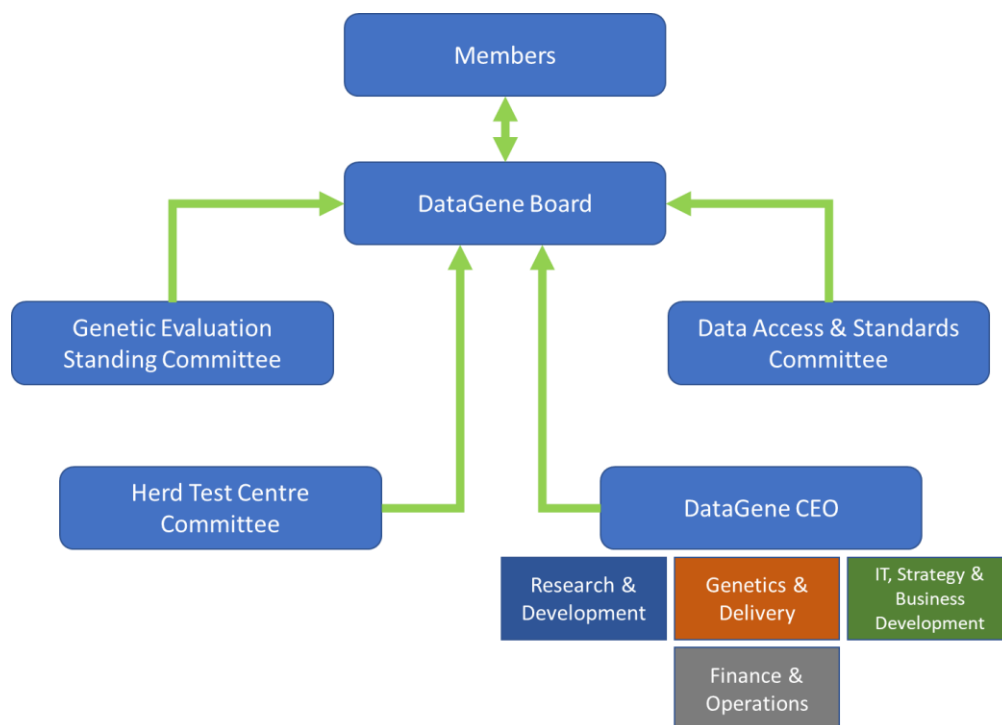
DataGene's Standing Committees enable members to have direct influence over DataGene's priorities and program activities. These Committees are not simply advisory bodies, but exercise authority as delegated by the DataGene Board. The Committees comprise individuals from within the dairy industry and herd improvement sector who possess relevant skills and experiences. Standing Committee members are either nominated by stakeholders for DataGene Board approval or appointed directly by the DataGene Board, according to the terms of reference for each Committee's structure. Each Standing Committee is chaired by a DataGene Board member and includes at least one DataGene management team member.

Committee	Role	Membership
Genetic Evaluation Standing Committee (GESC)	Provides advice and recommendations to the DataGene Board on specialist matters in relation to genetic evaluation and related technologies. The Genetic Evaluation Standing Committee helped prioritise projects that are presented in this AOP.	Farmer Chair DataGene's Chief Executive Officer & Stakeholder Relations Manager Representatives from: • Dairy farmers (2) • Breed organisations (2) • DairyBio (2) • Genetics company (1) • Genomics service provider (1) • Dairy Australia (1)
Data Access and Standards Standing Committee (DASC)	Provides advice and recommendations to the DataGene Board on specialist matters in relation to the development and implementation of data standards and sharing. The Committee will also provide advisory services to the broader herd improvement industry to assist in decision-making regarding data access and standards	Independent Chair DataGene's Chief Executive Officer & Chief Information Officer Representatives from: • Herd Test Centres (3) • Software providers (3) • Dairy farmers (2) • Breed organisations (2) • Genetics company (1)
Herd Test Centre Committee (HTCC)	Makes recommendations and proposals to DataGene Board and management, and respective centre Boards (or equivalent) on herd test-related matters, including software and service development. Enables collaboration on pre-competitive projects.	DataGene's Chief Executive Officer & Stakeholder Relations Specialist 1 representative each from: • National Herd Development (NHD) • HICO • Dairy Express • TasHerd • FarmWest • Yarram Herd Services

Organisational Structure

DataGene's organisational structure is based on the following functional areas and roles:

Chief Executive Officer			
Research & Development	**Genetics & Delivery**	**IT, Strategy & Business Development**	**Finance & Operations**
- Lead Scientist - Geneticist / Team Leader - Geneticist	- Stakeholder Relations Manager - Stakeholder Relations Specialist - Industry Liaison - Project Officer - Genomic Services Officer - Marketing & Communications Manager	- Group Leader - Strategy, IT & Business Development - Chief Information Officer - Project Managers - IT Manager - Senior Software Engineer - Software Developer - Systems Administrators	- Executive Assistant - Business Operations Supervisor - Bookkeeper

DataGene's Leadership Team comprises the heads of each business unit and other key staff (including those from DairyBio) and meets regularly. The Lead Science function is provided by DairyBio rather than by a DataGene employee. However, the integration of the science into the implementation framework was a key driver for the creation of DataGene. The AOP forms the basis for the goals of each business unit and relevant aspects are incorporated into the performance and development plans of each DataGene employee.

The DataGene Board and management regularly monitor a variety of performance metrics that cover the genetic merit of the national herd, the market acceptance of DataGene products and services, herd recording levels, and extension and communication reach. The primary metrics are shown below:

Primary metrics for DataGene

1.	**The rate of genetic gain of sires of cows for BPI exceeding $30/cow/year over a 10-year period.**	In April 2024, this is currently at $29.18/cow/year over the previous 10 years.
2.	**The level of female genomic testing increasing annually by at least 15%.**	92,986 females were genomically tested during 2022-23. This represents an increase of 51**%** from 2021-22.
3.	**The number of new cows with phenotypes in CDR increasing annually by 5% of the previous year.**	The number of cows with data in the CDR in June 2023 has increased to 17.1 million cows. This represents an increase of 3.6**%** from June 2022.

Risk management

DataGene's Board and Management manage risk through a variety of means:

- Regular reviews of the formal risk register for internal, external and project risks.

- Undertaking horizon-scanning and a SWOT analysis annually for issues, threats, and opportunities.

- An annual security audit and penetration testing of DataGene's information technology systems by an external IT security consultant.

- Appropriate insurance policies including Business Insurance, Public Liability and Product Liability, Directors and Officers (D & O) Insurance, Professional Indemnity Insurance, and Cyber Insurance.

Appendix 2: Glossary

Abbreviation	Description
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ADF	Australian Dairyfarmers
AGBU	Australian Genetic and Breeding Unit
AGM	Annual General Meeting
API	Application programming interface
ARC	Australian Research Council
BPI	Balanced Performance Index
BRD	Business Requirements Document
CDCB	Council for Dairy Cattle Breeding
CDR	Central Data Repository
CRDC	Cotton Research & Development Corporation
DA	Dairy Australia
DASSC	Data Access & Standards Standing Committee
DPC	Data processing centre
EBITDA	Earnings before interest, taxes, depreciation, and amortization
FVI	Forage Value Index
GESC	Genetic Evaluation Standing Committee
GESNP	Genetic Evaluation System, New Platform
HIISSG	Herd Improvement Industry Strategic Steering Group
HTCC	Herd Test Centre Committee
ICAR	International Committee on Animal Recording
iDDEN	International Dairy Data Exchange Network
KPI	Key performance indicator
LTE	Linear type evaluation
MIR	Mid infrared

NHIA	National Herd Improvement Organisation
NLIS	National Livestock Identification Scheme
RAM	Random access memory
RDP	Regional Development Program
SI	Sustainability Index
SME	Subject matter expert
SNP	Single nucleotide polymorphism