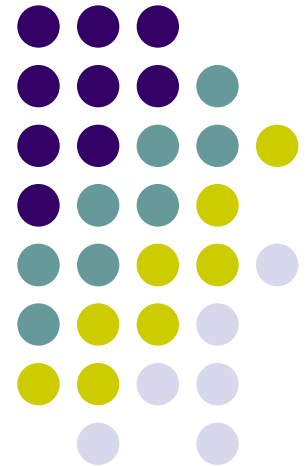


Australian Agricultural and Resource Economics Society (AARES) Conference 2011

What is changing in primary industries
research, development and extension
in Australia & why?

Dr Bruce Kefford
Chair, Primary Industries Standing Committee
Research, Development & Extension Subcommittee



Kerin concept



- Drivers of change

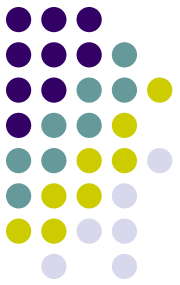
A new approach



- PIMC 8 (April 2005)
 - Ministers agreed to concept of national 'R' with regional 'D&E'.
- PIMC 10 (April 2006)
 - Ministers agreed to a set of principles to improve the efficiency and effectiveness of national RD&E capability through collaboration.
- PIMC 14 (April 2008)
 - Ministers agreed to the development of a National Primary Industries R,D&E Framework.
- PIMC 16 (November 2009)
 - Statement of Intent
 - 9 PISC agencies
 - 16 RDC
 - Australian Council of the Deans of Agriculture

INDUSTRY SECTOR	RDC LEAD	INDUSTRY BODY	PISC LEAD
Beef	Meat & Livestock Australia / LiveCorp	Cattle Council Australia	QLD
Cotton	Cotton RDC	Cotton Australia	NSW
Dairy	Dairy Australia	Australian Dairy Farmers	VIC
Fisheries & Aquaculture	Fisheries RDC		TAS/VIC/SA
Forests	Forests & Wood Products Australia		WA
Grains	Grains RDC	Grains Council / Grain Growers Association	WA
Horticulture	Horticulture Australia Ltd		NHRN
Pork	Australian Pork Ltd	Pork Council of Australia	SA
Poultry	Australian Egg Corporation Ltd / Rural Industries RDC	Aus Egg Industry Assoc. / Aus Chicken Meat Federation	SA
Sheep (meat)	Meat & Livestock Australia	Sheep Meats Council Australia	NSW
Sugar	Sugar RDC		QLD
Wine	Grape & Wine RDC	Winemakers Federation of Australia	SA
Wool	Australian Wool Innovation Ltd	Australian Wool Industries Secretariat	WA
New & Emerging Industries	Rural Industries RDC		NT
CROSS-SECTOR		SECTOR LEAD	
Animal Biosecurity		Animal Health Australia	NBC / DAFF
Animal Welfare	All animal RDCs	AAWS R&D Advisory Committee	VIC
Biofuels and Bioenergy	Rural Industries RDC		NSW
Climate Change & Variability	All RDCs	Melbourne University	All
Food and Nutrition		Australian Food & Grocery Council	CSIRO
Plant Biosecurity		Plant Health Australia	NBC / DAFF
Water Use in Agriculture	Cotton RDC		CSIRO

Approvals

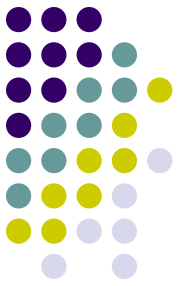


	2008	2009	2010	2011	2012
Sector strategies		Dairy Pork Wine	Beef Fishing & Aquaculture Forest & Wood Products Grains Horticulture Poultry Sheep meat Sugarcane New & Emerging Industries	Cotton	Wool
Cross sector strategies	Climate change		Animal Welfare	Biofuels & Bioenergy Water Use in Agriculture	Animal Biosecurity Plant Biosecurity Food & Nutrition

How will the Framework work?



- Cooperative
- Strategic
- Interdependent
- Statement of Intent
- Ongoing management



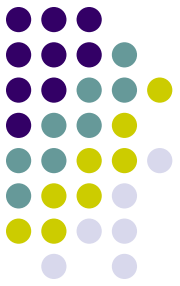
Ongoing Management

- Access to national research
- Intellectual property management
- Harmonisation of common processes
- Portfolio oversight, investment data
- Knowledge management
- Extension
- PC implications



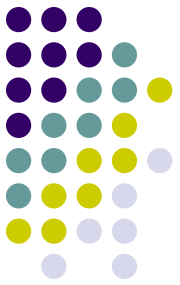
Early benefits

- National R, regional D&E
- Agreed national strategies
- Teamwork & collaborative culture
- More strategic engagement
- New broader governance arrangements
- More comprehensive national oversight
- Focus on future capability
- Large coalitions of specialists
- More stable funding arrangements
- New funding models
- Better defined roles for jurisdictions
- System evolving more freely



Risks of collaboration

- Too hard to establish or sustain
- Too much consolidation reduces competition
 - monopolies
 - increased costs
 - lower performance
- Potential for barriers for entry
- Increased system overheads and governance
- Increased risks through more consolidated effort
- Reduced diversity of ideas, innovation
- Risks of free riding



Competitive Model?

- What are we competing for? Profit?
- Nature of benefits leads to underinvestment by private sector and strong role for governments
- System is complex and investors commonly have mixed roles
- Industry and government investors often have different objectives
- Communities, industries and government can prevent the competitive forces acting

Where is “creative tension” best applied?



OLD

Tension between investors



Tension between providers



Contest of ideas



Pricing of services



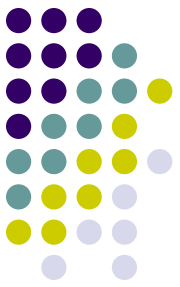
Performance assessment



Where is “creative tension” best applied?



	OLD	NEW
Tension between investors	✓	X
Tension between providers	✓	X
Contest of ideas	✓	✓
Pricing of services	✓	X
Performance assessment	✓	✓



Challenges for the Future

- Investors engaged and aligned
 - Providers engaged and working together
 - Balance collaboration and competition
 - Strategy quality and consistency
 - Easy entry for new players
 - Investment levels, free riding
 - Governance, institutional design
 - Performance evaluation
 - Process efficiency
 - New strategies
-
- Kerin legacy