

Enhancing Food and Fibre Productivity

Tabled 17 August 2016

This presentation provides an overview of the Victorian Auditor-General's report *Enhancing Food and Fibre Productivity*.

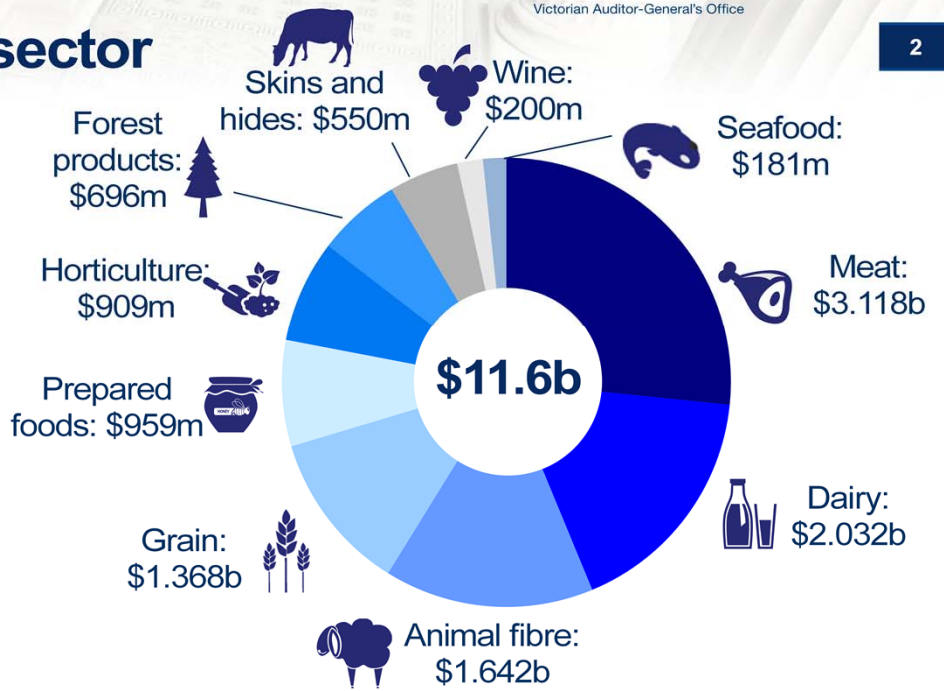
Food and fibre sector



Employs over **190 000** people



Exports during 2014–15 valued at **\$11.6 billion**



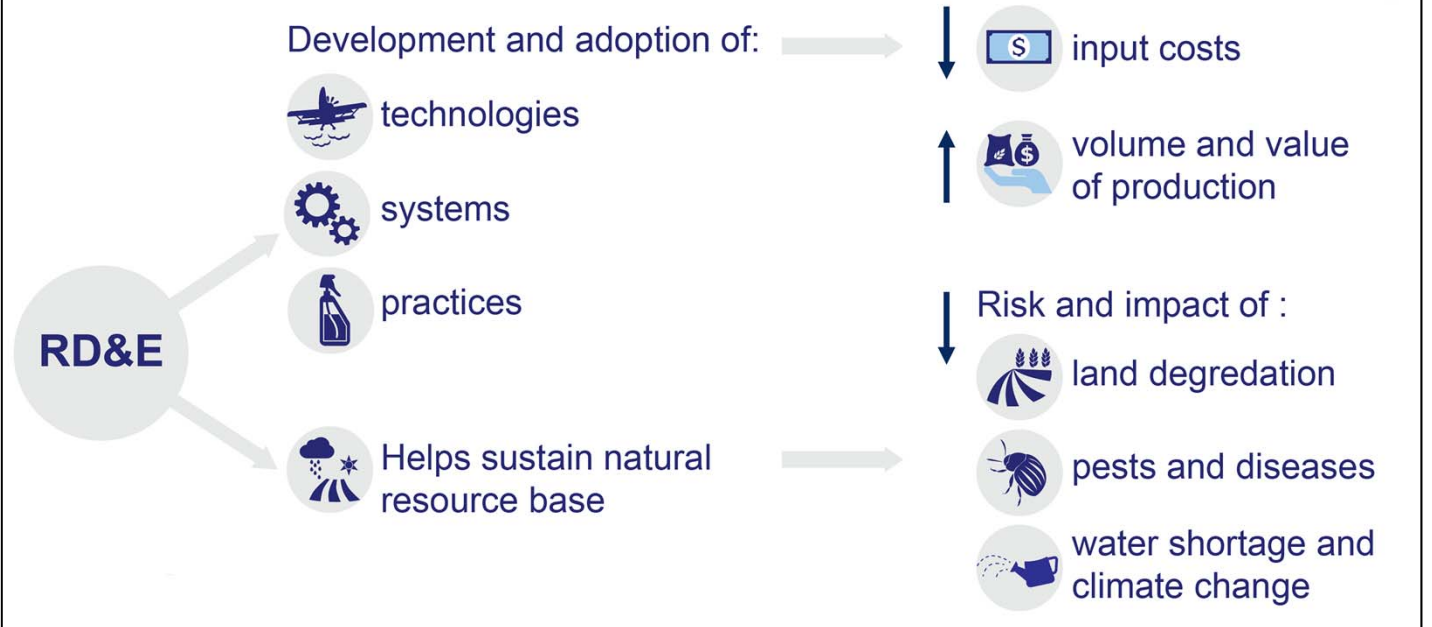
Victoria owes much to its food and fibre sector. In addition to employing over 190 000 people, the sector's exports during 2014–15 were valued at \$11.6 billion—27 percent of Australia's total food and fibre exports. Recognising this past performance and future growth opportunities, the Victorian Government has identified food and fibre as one of its six priority sectors.

Agricultural productivity growth



While there are strong growth opportunities in global markets, sustaining the sector's success into the future will be challenging. In recent decades, the rate of agricultural productivity growth in Australia has slowed, mainly in response to drought, but also because of declining public investment in agricultural research, development and extension (RD&E) since the 1970s.

Research, development and extension



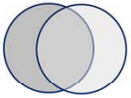
The sector's future performance relies heavily on RD&E. It can lead to the development and adoption of technologies, systems and practices that increase the value and volume of agricultural production and lower input costs.

RD&E can also help to sustain the natural resource base upon which the food and fibre sector relies by reducing potential risks and impacts such as land degradation, pests and diseases, water shortages and climate change.

National RD&E framework and Victoria's role



Agricultural RD&E in Victoria forms part of the National Primary Industries Research, Development and Extension Framework.



It is **critical** that state-funded RD&E aligns with the state's nominated roles within this framework.



Victoria's priority RD&E roles under the national framework

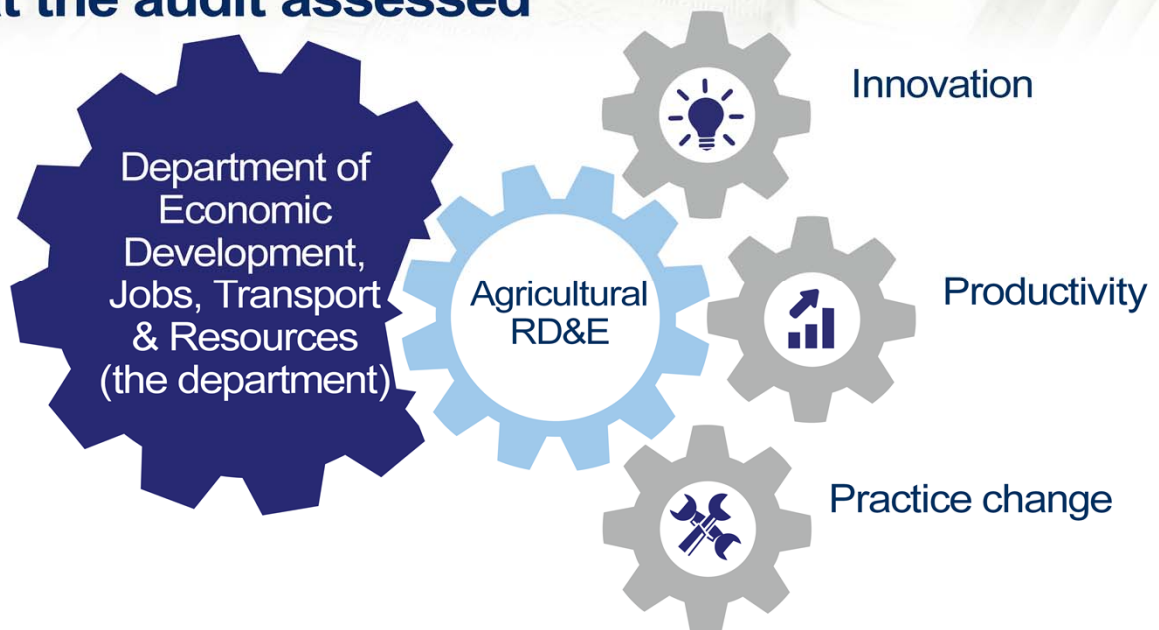
Industry	Cross-industry issues
<ul style="list-style-type: none"> • Dairy • Grains (pulses) • Horticulture • Sheep meat 	<ul style="list-style-type: none"> • Animal welfare • Climate change • Food and nutrition • Plant biosecurity • Water use in agriculture • Soils

Agricultural RD&E in Victoria forms part of the National Primary Industries Research, Development and Extension Framework. The framework promotes coordination and collaboration between Commonwealth and state governments, rural research and development corporations, CSIRO, industry and universities.

It is critical that state-funded agricultural RD&E aligns with the state's nominated roles within this framework and utilises the wide range of skills and expertise available.

What the audit assessed

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In this audit, we assessed the extent to which agricultural RD&E is used to drive innovation, productivity and practice change. The audit focused on the Department of Economic Development, Jobs, Transport & Resources (the department) as the agency responsible for delivering state-funded agricultural RD&E in Victoria.

Impact and effectiveness

The department has:



contributed to productivity growth and practice change in Victoria's priority agricultural industries



well-designed models for:

- setting RD&E priorities and making investment decisions
- providing a route to market for its research and development outputs
- monitoring, evaluating and reporting on its RD&E activities



But models not consistently applied → limited capacity to show full impact.

While it is difficult to measure the impact of the department's RD&E investments, there is sufficient evidence to conclude that they have contributed to productivity growth and practice change in Victoria's priority agricultural industries.

We also found that the department has well-designed models for setting RD&E priorities and making investment decisions, for providing a route to market for its research and development outputs, and for monitoring, evaluating and reporting on its RD&E activities.

Unfortunately, the department has not consistently applied these models, limiting the evidence base underpinning its investment decisions and its capacity to show the full impact of its RD&E activities.

Recommendations

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That the department:



consistently apply its agriculture investment framework



prepare an overarching investment strategy for agricultural research, development and extension



clearly and consistently document its research, development and extension priority-setting and investment decisions



improve how it delivers research and development results to farmers and other users



improve its monitoring, evaluation and reporting framework and practices

Our recommendations reinforce the need to address this gap and clarify where the department can further improve its existing approaches to agricultural RD&E. They also highlight the need for the department to have a clearer overarching strategic direction for RD&E investment.

It is pleasing that the department has accepted each of these recommendations and developed plans to implement them.

For further information, please view the full report on
our website: www.audit.vic.gov.au

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