

## Independent Performance Review Implementation Status

Performance Review Recommendation			FRDC Implementation Plan		
#	Priority	Recommendation	Response	Actions	Status
1	Important	Based on a new RD&E plan, future FRDC AOPs should: <ul style="list-style-type: none"> <li>Simplify key targets per area of investment</li> <li>Continue the refinement of management / governance targets that are more relevant to organisational performance (e.g. timing of milestones, contractual turn-around etc.)</li> </ul>	Agree	<i>Immediate:</i> <ul style="list-style-type: none"> <li>To be addressed in 2019-20 Annual Operational Plan (AOP) that will be reviewed by the FRDC board in December 2018.</li> <li>The FRDC will review and refine its targets and supporting systems to ensure that organisational performance is improved.</li> </ul>	<b>COMPLETE June 2021.</b>  New Monitoring & Evaluation Framework developed and approved June 2021.
2	Important	FRDC should develop, produce and promote to stakeholders a stand-alone performance report that summarises the FRDC's key outputs and impacts relative to targets in its RD&E Plan and AOP on an annual basis.	Agree	<ul style="list-style-type: none"> <li>FRDC will produce a performance summary of its Annual Report each year – the first summary will cover 2017-18.</li> <li>Given that the 2018-19 Annual Operational Plan (AOP) is already approved and active, the same approach will be taken with the 2018-19 Annual Report.</li> <li>2019-20 Summary Annual Report will be based on the improved 2019-20 AOP targets</li> </ul>	<b>COMPLETE.</b>  6-monthly Web-Based Performance Reports implemented July 2021, informed by Monitoring & Evaluation Framework.
3	Important	During the development of the next RD&E	Agree	The last FRDC board requested that FRDC management:	<b>COMPLETE.</b>

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		Plan, FRDC should review the way it organises and manages its RD&E program (its investment and evaluation framework) with the aim of simplifying it so that it is easily understood by the average stakeholder.		<ul style="list-style-type: none"> <li>commission a review of all FRDC structures and processes including Industry Partnership Agreements (IPAs), Research Advisory Committees (RACs), and infrastructure projects.</li> <li>develop a mechanism to measure collaboration, including between the RACs, IPAs and Subprograms, and report on the outcome.</li> </ul> <p>The FRDC will respond to a changing external environment and reposition itself as a catalyst for transformational change within the Australian fishing and aquaculture sector. It will also determine the most effective way to stimulate the level of change that will be required in the context of the 2020-25 RD&amp;E Plan.</p>	<p>Investment Mechanisms Working Group established in Nov 2018, consisting of three directors to help FRDC management review its current investment processes, and its role in the innovation system.</p> <p>Review of structures and processes completed in August 2020.</p>
4	Better practice	The FRDC Board should consider options to assist it in its role in respect to RD&E, one of which would be the creation of a Research Committee of the Board.	Agree	<p>FRDC will develop mechanisms to improve its ability to measure the value and impact of RD&amp;E investment including:</p> <ul style="list-style-type: none"> <li>reviewing existing advisory structures and processes with respect to project/program evaluation (and determine if/where a board committee might add value)</li> <li>reviewing the process for board</li> </ul>	<p><b>COMPLETE.</b></p> <p>Review of advisory structures and processes, and processes for board approving RD&amp;E applications completed in August 2020.</p> <p>Investment policy updated November 2021</p> <p>New portfolio-focussed process for reporting progress to Board implemented in February 2020.</p>

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				approving RD&E applications <ul style="list-style-type: none"> <li>• implementing an updated board RD&amp;E investment policy and procedure</li> <li>• updating the FRDC board dashboard to better reflect a portfolio view of investment</li> <li>• developing appropriate metrics to inform the new Performance Report Card (refer responses to recommendations 1, 2 and 10)</li> </ul>	New Monitoring & Evaluation Framework developed and approved June 2021
5	Better practice	The FRDC Board should consider creating a People and Culture Committee of the Board to formalise the succession planning process for all senior management, including the MD, to recommend the remuneration of the MD, and to develop a board skills matrix.	Agree	The FRDC board created the People and Culture Committee at its 20 November 2018 meeting.	<b>COMPLETED.</b>  Created committee at board's 20 Nov 2018 meeting Review the committee charter at the 12 Dec 2018 meeting. Completion by Dec 2018
6	Better practice	FRDC should develop a deeper understanding of risk appetite and risk tolerance across the key risk areas in line with new risk policy and ensure that this is monitored regularly by the FARM Committee. Risk appetite should	Agree	In August 2018 the FRDC put in place a new <i>Risk policy</i> and <i>Risk register</i> that put a focus on risk appetite and risk tolerance.  Going forward: <ul style="list-style-type: none"> <li>• key risk areas will be reviewed by the board to develop a revised deeper understanding of risk appetite and risk tolerance</li> </ul>	<b>COMPLETE April 2022.</b>  New Risk Management Framework implemented, and process for regular review by board

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		be set by the Board with tolerances agreed between the Board and management.		<ul style="list-style-type: none"> <li>key risk areas will be reviewed; and controls monitored and revised by the board at each meeting (standing agenda item)</li> <li>key risk areas will be reviewed by the FARM Committee at each meeting (standing agenda item).</li> </ul>	
7	Better practice	FRDC should strengthen its approach to extension, possibly by creating a specific position to oversee extension across the organisation.	Agree	<ul style="list-style-type: none"> <li>FRDC will undertake a review of its approach to extension and respond to the recommendations of that review, which may include improving transparency on who in FRDC leads extension.</li> <li>FRDC will develop metrics to enable an ongoing annual review of the performance of its extension activities</li> </ul>	<p><b>COMPLETED.</b></p> <p>Extension Officer Network approved for implementation November 2021.</p>
8	Better practice	FRDC should continue to conduct ex-post impact assessments of randomly selected projects as planned. The focus for FRDC should be on communicating the results to stakeholders using clear, simple language, as it did in its 2017 Annual Report. FRDC	Agree	<ul style="list-style-type: none"> <li>FRDC will continue to implement the Council of Rural Research and Development Corporations (CRRDC) impact assessment procedure and guidelines, and any updates to these</li> <li>FRDC will develop for 2018-19 a <i>Performance Report Card</i> that will be informed by the new approach to the AOP and the review at recommendation 1</li> </ul>	<p><b>COMPLETED.</b></p> <p>Annual BCAs ongoing aligning to CCRDC procedure.</p> <p>6-monthly Web-Based Performance Reports implemented July 2021, informed by Monitoring &amp; Evaluation Framework.</p>

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		could consider preparing and publicly releasing a short Performance Evaluation Report each year, which would include results against its Key Performance Indicators as well as the results from the Impact Assessments.		<p>In developing its new <i>Performance Report Card</i> the FRDC will assess the current Sugar Research Australia (SRA) and Wine Australia report cards as examples of better practice in performance reporting</p> <p>The implementation of this recommendation will be informed by the actions at Recommendation 5</p>	
9	Better practice	FRDC should explore with its impact assessment provider the feasibility of providing in the impact assessment reports more detailed commentary on the likely distribution of benefits from the project clusters between regions and/or sectors of the Australian fisheries sector.	Agree	FRDC will instruct its external provider to ensure that the 2019 reports provide more detailed commentary on the likely distribution of benefits from the project clusters between regions and/or sectors of Australian fisheries.	<p><b>COMPLETE – NOT IMPLEMENTED.</b></p> <p>Options for an analysis of the distribution of benefits by region, sector, or other characteristics were discussed between Agtrans in some detail in 2019 under the previous FRDC impact assessment program project (FRDC Project 2016-134, evaluations for FRDC projects completed in the years ended 30 June 2016 to 2020 – covering the previous 5yr FRDC R&amp;D Plan).</p> <ul style="list-style-type: none"> <li>At that time, it was decided not to change the scope/depth of the existing evaluation program to incorporate greater detail on benefit distribution at a project-level under Project 2016-134. Instead, we planned to conduct an investigation of the distribution of benefits using the suite of individual, project-level assessments completed toward the end of the 5yr evaluation program.</li> <li>COVID-19 and personnel changes at FRDC affected progression of Project 2016-134 and discussions to progress the ‘distribution of benefits’ analysis. The idea was touched on again in 2021 but not progressed further.</li> </ul>

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10	Better practice	FRDC should develop and implement with its impact assessment provider a project to assess willingness-to-pay studies of environmental attributes of fishery resources and externalities arising from aquaculture as input into future assessments of the environmental impacts of FRDC's Environment Program.	Agree	FRDC will commission its external provider to develop willingness to pay studies to improve the valuation of non-market values. This will explore benefit transfer approaches. A separate initiative that may be explored would be to use other data such as bycatch reductions, and the Status of Australian Fish Stocks (SAFS) data and associate them with a special study to elicit community values of movements between statuses for a given stock.	<p><b>COMPLETE.</b></p> <ul style="list-style-type: none"> <li>The willingness-to-pay (WTP)/non-market valuation for environmental and social impacts of FRDC RD&amp;E commenced in 2019. A two phase approach was agreed.</li> <li>First, Agtrans, in association with Dr Buyani Thomy, completed Project 2019-091: 'Non-Market Impact Valuation for Fisheries RD&amp;E – Phase I: An Investigation and Gap Analysis of Non-Market Impact Valuation Studies for Australian Fisheries and Aquaculture RD&amp;E'.</li> <li>This first phase presented the findings of a process to assess and compile relevant, publicly available, non-market impact valuation studies for potential use in future Fisheries Research and Development Corporation (FRDC) research, development and extension (RD&amp;E) impact assessments. The report also provided an assessment of the major gaps in the available non-market information related to the environmental and social impacts of fisheries RD&amp;E to inform and prioritise potential future WTP studies.</li> <li>The report and database were published on FRDC's website under Project 2019-091 in October 2020: <a href="https://www.frdc.com.au/project/2019-091">https://www.frdc.com.au/project/2019-091</a></li> </ul>