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An Impact Assessment of FRDC Investment in 2014-714: Writing our History – The people and achievements of the Australian Seafood CRC

Agtrans Research

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Len Stephens, former Managing Director of the Seafood CRC

Abbreviations

CRC	Cooperative Research Centre
CRRDC	Council of Rural Research and Development Corporations
FRDC	Fisheries Research and Development Corporation
R&D	Research and Development
RD&E	Research, Development and Extension

Executive Summary

What the report is about

This report presents the results of an impact assessment of a Fisheries Research and Development Corporation (FRDC) investment in Writing our History – The people and achievements of the Australian Seafood CRC. The project was funded by FRDC over the period July 2014 to June 2016.

Methodology

The project was analysed qualitatively within a logical framework that included brief descriptions of activities and outputs, outcomes, and impacts. Impacts were categorised into a triple bottom line framework. Principal impacts were then considered for valuation.

Results/key findings

While the investment did not result in any significant impacts that could be valued, the process was useful in assembling in one location the key issues and outputs/findings of the Seafood CRC. In so doing, the project maintained awareness of the Seafood CRC's research for potential use in future seafood RD&E funding and priority setting by the industry, Commonwealth and State agencies, and FRDC. In addition, the project highlighted the effective profile of the CRC program and re-enforced satisfaction and pride held by Seafood CRC staff and associates.

Investment Criteria

Total funding from all sources for the investment was \$0.11 million (present value terms). However, none of the benefits identified were valued in monetary terms. Hence, the full set of investment criteria were not estimated or reported as part of the impact assessment.

Conclusion

While the investment did not result in any significant impacts that could be valued, the process was useful in assembling in one location the key issues and outputs/findings of the Seafood CRC.

Keywords

Impact assessment, Seafood CRC

Introduction

The Fisheries Research and Development Corporation (FRDC) required a series of impact assessments to be carried out annually on a number of investments in the FRDC research, development and extension (RD&E) portfolio. The assessments were required to meet the following FRDC evaluation reporting requirements:

- Reporting against the FRDC 2015-2020 RD&E Plan and the Evaluation Framework associated with FRDC's Statutory Funding Agreement with the Commonwealth Government.
- Annual Reporting to FRDC stakeholders.
- Reporting to the Council of Rural Research and Development Corporations (CRRDC).

The first series of impact assessments included 20 randomly selected FRDC investments worth a total of approximately \$6.31 million (nominal FRDC investment). The investments were selected from an overall population of 136 FRDC investments worth an estimated \$24.98 million (nominal FRDC investment) where a final deliverable had been submitted in the 2015/16 financial year.

The 20 investments were selected through a stratified, random sampling process such that investments chosen spanned all five FRDC Programs (Environment, Industry, Communities, People and Adoption), represented approximately 25% of the total FRDC RD&E investment in the overall population (in nominal terms) and included a selection of small, medium and large FRDC investments.

Project 2014-714: *Writing our History – The people and achievements of the Australian Seafood CRC* was selected as one of the 20 investments and was analysed in this report.

General Method

The impact assessments followed general evaluation guidelines that are now well entrenched within the Australian primary industry research sector including Research and Development Corporations, Cooperative Research Centres, State Departments of Agriculture, and some Universities. The approach includes both qualitative and quantitative descriptions that are in accord with the impact assessment guidelines of the CRRDC (CRRDC, 2014).

The evaluation process involved identifying and briefly describing project objectives, activities and outputs, outcomes, and impacts. The principal economic, environmental and social impacts were then summarised in a triple bottom line framework.

Some, but not all, of the impacts identified were then valued in monetary terms. Where impact valuation was exercised, the impact assessment uses Cost-Benefit Analysis as its principal tool. The decision not to value certain impacts was due either to a shortage of necessary evidence/data, a high degree of uncertainty surrounding the potential impact, or the likely low relative significance of the impact compared to those that were valued. The impacts valued are therefore deemed to represent the principal benefits delivered by the project. However, as not all impacts were valued, the investment criteria reported for individual investments potentially represent an underestimate of the performance of that investment.

Background and Rationale

Background

The Australian Seafood Cooperative Research Centre (Seafood CRC) was funded under the Cooperative Research Centres Programme from 2007 to 2015 to support research across the Australian wild-harvest, aquaculture and post production sectors.

The mission of the Australian Seafood CRC was to assist end-users of its research to profitably deliver safe, high-quality, nutritious Australian seafood products to premium markets - domestically and overseas.

Throughout its history the Seafood CRC invested \$83 million in a wide variety of research, development and market extension projects. Research came under four programs, product innovation, product and market development, communication and education, and commercialisation and utilisation. A total of 540 projects were funded throughout the life of the Seafood CRC.

Rationale

As the Seafood CRC was winding up, a workshop was suggested to show the achievements of the Seafood CRC to the research end-users, CRC Participants, and the media. The need for this project was to ensure that the Seafood CRC's achievements were properly recorded and remembered. Also, the project aimed to highlight key research, development and extension achievements of the Seafood CRC to the media.

Project Details

Summary

Project Code: 2014-714
Title: <i>Writing our History – The people and achievements of the Australian Seafood CRC</i>
Research Organisation: Fuller Brand and Communications
Principal Investigator: Emily Mantilla
Period of Funding: July 2014 to June 2016

Objectives

The project objectives were:

1. To ensure the outputs and products produced from eight years of R&D and people capacity building live on past the life of the CRC.
2. To celebrate the CRC's achievements.
3. To make the CRC participants feel proud of being involved in the initiative and to build pride in the industry and research community.

Table 1 provides a brief description of the project in a logical framework.

Table 1: Logical Framework FRDC Project: 2014-714

Activities and Outputs	<ul style="list-style-type: none">• At the workshop, copies of every single report and product produced by the SCRC (>300) were put on display. Each item was catalogued and attendees were able to review them all and download or order copies for use with their stakeholders. This fulfilled the main purpose of the workshop, which was to ensure the Participants were fully aware of the SCRC materials available to them (Len Stephens, pers. comm., June 2017).• A public relations company was contracted to produce a book and a video highlighting the Seafood CRC's key achievements.• The video has been viewed 622 times to date. It is available at: https://www.youtube.com/watch?v=DMaYuw4hJCY (YouTube, 2017).• A book "One CRC" and a brochure were produced about the Seafood CRC. The book was produced in hard copy and is available online at: https://www.seafoodcrc.com.au• The book contains broad details of the projects, major achievements, and staff and participants of the Seafood CRC from 2007 to 2015.• A pdf file of contact details was created so that interested parties could pursue further information on completed Seafood CRC projects.• An event was held celebrating the achievements of the Seafood CRC and its staff. Approximately 100 people attended the event. The attendees received the book "One CRC" as a memento.• No final report was written for the project, as FRDC staff attended the event, watched the video, and received copies of the book.
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Outcomes	<ul style="list-style-type: none"> • The resources produced by the project (video, book, etc.) have been used as extension material to increase awareness and highlight the value of the Seafood CRC's R&D. • The project produced an historic record of reports and products ensuring the legacy of the Seafood CRC and re-enforcing satisfaction and pride among CRC staff and associates. • Some media groups used the documents produced by the project (e.g. an article in the Adelaide Advertiser). • The documents produced by the initiative are used by the Commonwealth CRC secretariat and the CRC association to help maintain the profile of the CRC program (Len Stephens, pers. comm., July 2017). • The project materials have not been used in any further CRC application associated with seafood as of July 2017.
Impacts	<ul style="list-style-type: none"> • The project maintained awareness of the Seafood CRC's research for potential use in future seafood RD&E funding and priority setting by the industry, Commonwealth and State agencies, and FRDC. • The project highlighted the legacy of the CRC and hence supported the effective profile of the CRC program. • The project re-enforced satisfaction and pride held by Seafood CRC staff and associates.

Project Investment

Nominal Investment

Table 2 shows the annual investment for the project funded by FRDC. There were no other contributors to the investment.

Table 2: Annual Investment in the Project 2014-714 (nominal \$)

Year ended 30 June	FRDC (\$)	Seafood CRC (\$)	TOTAL (\$)
2015	0	44,562	44,562
2016	44,116	0	44,116
Totals	44,116	44,562	88,678

Program Management Costs

For the FRDC investment, the cost of managing the FRDC funding was added to the FRDC contribution for the project via a management cost multiplier (1.115). This multiplier was estimated based on the share of 'employee benefits' and 'supplier' expenses in total FRDC expenditure reported in the FRDC's Cash Flow Statement (FRDC, 2016). This multiplier then was applied to the nominal investment by FRDC shown in Table 2.

The cost of managing the Seafood CRC investment also was added to the nominal Seafood CRC contribution in Table 2 via a management cost multiplier of 1.083. This multiplier was estimated based on the total reported share of 'employee' and 'supplier' expenses in total Seafood CRC expenditure from the Seafood CRC's Cash Flow Statements for the period ended 30 June 2009 to 2014 (Australian Seafood CRC, 2009 to 2014).

Real Investment and Extension Costs

For the purposes of the investment analysis, the investment costs of all parties were expressed in 2016/17 dollar terms using the Implicit Price Deflator for Gross Domestic Product (ABS, 2016). No additional costs of extension were included as the project as its outputs were extension orientated and were publicly recorded.

Impacts

Table 3 provides a summary of the principal types of impacts identified in Table 1 and categorised into economic, environmental and social impacts.

Table 3: Triple Bottom Line Categories of Principal Potential Impacts from *Writing our History – The people and achievements of the Australian Seafood CRC*

Economic	<ul style="list-style-type: none"> • By assembling the all reports and products of the CRC, the project maintained awareness of the Seafood CRC’s research for potential use in future seafood RD&E funding and priority setting by the industry, Commonwealth and State agencies. • The project highlighted the legacy of the CRC and hence supported the effective profile of the CRC program.
Environmental	<ul style="list-style-type: none"> • Nil
Social	<ul style="list-style-type: none"> • The project re-enforced satisfaction and pride held by Seafood CRC staff and associates.

Public versus Private Impacts

The first two impacts identified can be considered largely public impacts although there may have been private benefits to former staff and CRC associated personnel as signalled by the third impact.

Impacts on other Australian industries

There are not likely to be any significant impacts on any other Australian industries.

Impacts Overseas

No significant benefits to overseas parties are expected.

Match with National Priorities

The Australian Government’s Science and Research Priorities and RD&E priorities are reproduced in Table 4. The project findings and related impacts could contribute potentially to Rural RD&E Priority 4 and to Science and Research Priority 1.

Table 4: Australian Government Research Priorities

Australian Government	
Rural RD&E Priorities (est. 2015)	Science and Research Priorities (est. 2015)
1. Advanced technology	1. Food
2. Biosecurity	2. Soil and Water
3. Soil, water and managing natural resources	3. Transport
4. Adoption of R&D	4. Cybersecurity
	5. Energy and Resources
	6. Manufacturing
	7. Environmental Change
	8. Health

Sources: (DAWR, 2015) and (OCS, 2015)

Valuation of Impacts

The project did not produce any quantifiable impacts so no quantitative evaluation processes were applied to estimate benefits. The impacts identified in Table 3 were not valued for the following reasons (Table 5):

Table 5: Reasons for Not Valuing Impacts

Impact/Potential Impact	Reason why Impact Not Valued
The project maintained awareness of the Seafood CRC’s research for potential use in future seafood RD&E funding and priority setting by the industry, Commonwealth and State agencies.	No evidence as available of any further CRC investment in seafood; also, while there may be individual post-2016 R&D priorities that may have been influenced, such influences may have been many, indirect, of different values, and difficult to identify and aggregate.
The project highlighted the legacy of the CRC and hence supported the effective profile of the CRC program.	Such an impact would have been marginal and the CRC program already has a well promoted track record
Re-enforced satisfaction and pride of Seafood CRC staff and associates	Satisfaction and pride are difficult to value in themselves and the marginal value of the project on these values even more difficult to value.

Results

All costs and any benefits were discounted to 2016/17 using a discount rate of 5%.

Tables 6 and 7 show the investment criteria estimated for different periods of costs for the total investment and FRDC investment respectively. Note that, as no benefits were valued, the investment criteria reporting is restricted to the Present Value of Costs.

In the interests of consistency with other project analyses and reporting, the Present Value of Costs was reported for the length of the investment period plus for different periods up to 30 years from the last year of investment (2015/16).

Table 6: Investment Criteria for Total Investment in the Project

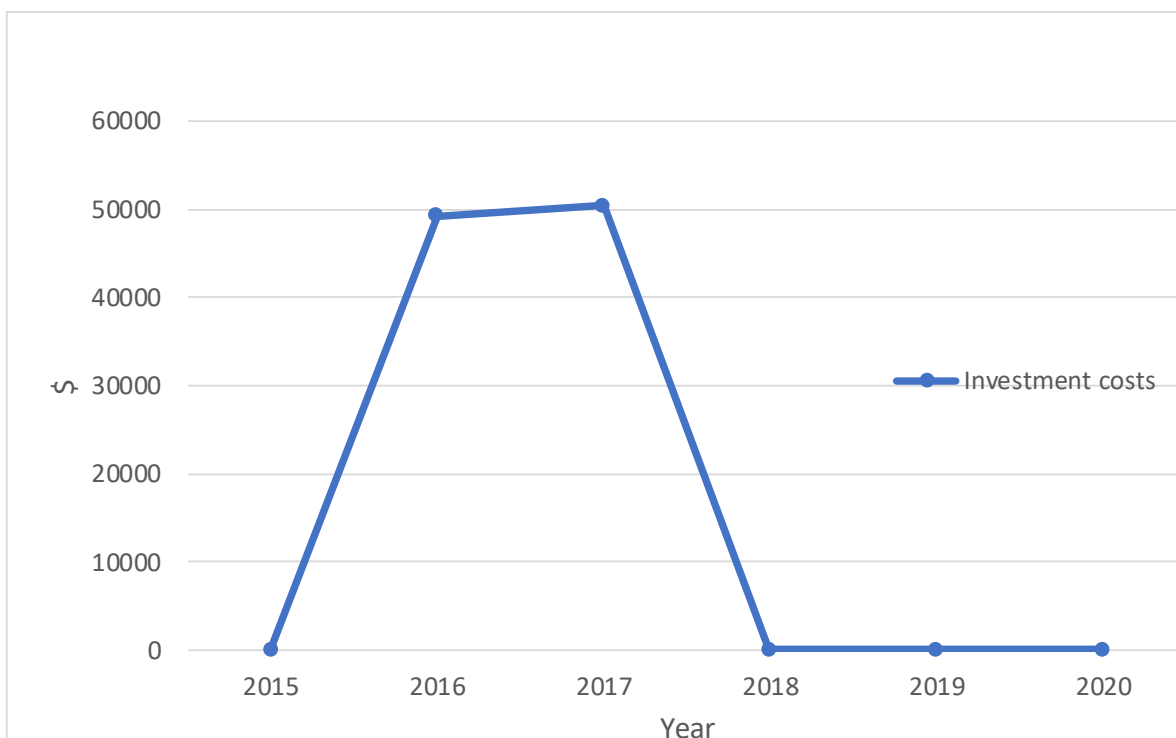
Investment criteria	Number of years from year of last investment						
	0	5	10	15	20	25	30
Present value of costs (\$m)	0.11	0.11	0.11	0.11	0.11	0.11	0.11

Table 7: Investment Criteria for FRDC Investment in the Project

Investment criteria	Nuer of years from year of last investment						
	0	5	10	15	20	25	30
Present value of costs (\$m)	0.05	0.05	0.05	0.05	0.05	0.05	0.05

The annual undiscounted cost cash flows for the total investment for the duration of investment period are shown in Figure 1.

Figure 1: Annual Cash Flow of Undiscounted Total Costs



Conclusions

Total funding for the investment over the two six years totalled \$0.11 million in present value terms. FRDC funding was about half of this at \$0.05 million in present value terms. While the investment did not result in any significant impacts that could be valued, the process was useful in assembling in one location the key issues and outputs/findings of the Seafood CRC.

Glossary of Economic Terms

Cost-benefit analysis:	A conceptual framework for the economic evaluation of projects and programs in the public sector. It differs from a financial appraisal or evaluation in that it considers all gains (benefits) and losses (costs), regardless of to whom they accrue.
Benefit-cost ratio:	The ratio of the present value of investment benefits to the present value of investment costs.
Discounting:	The process of relating the costs and benefits of an investment to a base year using a stated discount rate.
Internal rate of return:	The discount rate at which an investment has a net present value of zero, i.e. where present value of benefits = present value of costs.
Investment criteria:	Measures of the economic worth of an investment such as Net Present Value, Benefit-Cost Ratio, and Internal Rate of Return.
Modified internal rate of return:	The internal rate of return of an investment that is modified so that the cash inflows from an investment are re-invested at the rate of the cost of capital (the re-investment rate).
Net present value:	The discounted value of the benefits of an investment less the discounted value of the costs, i.e. present value of benefits - present value of costs.
Present value of benefits:	The discounted value of benefits.
Present value of costs:	The discounted value of investment costs.

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