

Marketing investment policy



Authorised by Board on: 19 August 2020

Managing Director’s authorisation: *Patrick W Dae*

Effective date: 19 August 2020

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1. PURPOSE

To outline how the FRDC will invest in marketing activities.

2. RESPONSIBILITY

Responsibility for this policy resides with the FRDC Board.

3. DEFINITIONS AND ACRONYMS

Definitions - follow link to [Definitions](#)

Acronyms – follow link to [Acronyms and Abbreviations](#)

4. RISK CATEGORY

Compliance	Financial	Governance	ICT	People	Research
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. RELEVANT DOCUMENTATION

This section contains links to internally and externally facing documents – access to internally facing documents is restricted to FRDC employees.

Relevant documentation
Internal
Marketing investment procedure (Draft)
External
Investment in Research Development and Extension (RDE) policy
Primary Industries Research and Development Act 1989 (PIRD Act)

6. PUBLICATION

FRDC Website	Yes	Directors' website	Yes
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7. BACKGROUND

On 13 December 2013 the Rural Research and Development Legislation Amendment Act 2013 amended the FRDC enabling legislation, the PIRD Act. These amendments extended the scope and range of activities the FRDC can undertake to include marketing for all its stakeholders where a statutory marketing levy was established. On 16 August 2018, the Primary Industries Research and Development Amendment Bill 2017 was passed by both houses of parliament. The change allows FRDC to undertake marketing activities with voluntary contributions.

Marketing activities are defined in section 4 of the PIRD Act as:

the marketing, advertising or promotion of products of primary industries; and can only be undertaken using funds from marketing contributions.

The Act also expressly prohibits the use of R&D funds for marketing purposes.

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The FRDC recognises that investing in Research, Development and Extension (RD&E) has the potential to not take into account changes in market or consumer needs. The addition of marketing to what the FRDC can do allows it to cover the whole supply chain, from producers to consumers and the community. It allows RD&E to be linked closely to marketing.

8. POLICY

- No research, development or extension funds will be used for marketing.
- Marketing activities can only be undertaken where 100% of the funds are provided via a marketing contribution.
- Funds collected from a sector must exceed \$500,000 (Inclusive of GST and after the subtraction of FRDC administration costs) per annum per marketing activity before FRDC engages in the activity.
- This contribution needs to allow for the provision for reserves to ensure that there are sufficient funds to undertake the proposed activities so as to not run into deficit as FRDC R&D funds cannot be used for marketing.
- Stakeholders must ask FRDC to coordinate their marketing activities.
- Stakeholders who contribute marketing funds play a critical role in outlining the direction and priorities for the funds to the FRDC.
- The stakeholder from whom the marketing funds are sourced will be subject to FRDC governance and approvals (i.e. Board approval for expenditure).
- Marketing funds must cover [Stakeholders] FRDC corporate overheads.

9. ATTACHMENTS

#	Description
1	Nil