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SHEEP ALLIANCE Member Update # 3

The Alliance board met last week to review progress on its two agreed tasks:

- To confirm the Terms of Reference in order to guide the plan for investment in sheep business RD&E in WA; and
- To provide quality input into the DAFWA R4R-funded SIBI project in order to optimise the value delivered.

The following summary of meeting outcomes are for members to consider and your commentary is invited

1. The Plan for future Investment in RD&E

A key task for the Alliance board is to write the business plan that will justify future investments in sheep business RD&E. DAFWA has specifically asked us to address this by describing why we need a Sheep Business Centre and what its core activities should be. We are conscious that many people think 'writing another plan' will be a waste of time and energy – and they 'just want action'! The board seeks members' assistance in explaining that the pathway to action is first creating the business case that justifies the identified actions and underpins the process of seeking the necessary funds to carry out the actions. The reality is without a plan, we have no capacity to attract funding to carry out RD&E activities of benefit to the industry. An excellent example of 'plan writing' exists in South Australia – where the South Australian sheep blueprint has been the catalyst of attracting extensive government plus AWI and MLA funds for research and extension activities that help drive productivity gains in SA. The SA plan took 12 months to develop and road test with its industry membership. We aim to do this step much quicker than that.

At this month's directors' meeting the board developed what it considers to be three guiding principles for the Plan's content:

- The Alliance is committed to the Plan providing the strategies that will through greater productivity and profitability along the supply chain, help arrest sheep decline.
- That a more targeted, coordinated WA specific sheep RD&E effort with improved delivery and a culture of excellence would drive greater productivity improvements and the Plan should robustly investigate the best way to achieve that (including what is the best ownership and governance model for a Sheep Business Centre that has the capacity to deliver that vision);
- That activities RD&E identified for investment would need to be 'game changers' that are considered achievable and measurable.



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The Alliance will use the input from members at the July 29 Members forum; input from WA Livestock Research Council, AWI and MLA strategic plans as the basis for identifying exactly what research and extension actions will drive industry productivity improvement; and will provide Alliance members with drafts of the plan as it is being developed for regular input/reality checks.

The directors also note that there is substantial investment in markets and supply chain at a national level. For example, MLA already commits a significant portion of its total spend in this space. Our proposition therefore is that state government funds through R4R should be directed in the **productivity and efficiency** theme – which is one of the Ministers' 7 priorities listed areas.

All Alliance members have had opportunity to feed into the Terms of Reference. We are still waiting for some final input before signing off what is in essence, the document's 'index'.

2. Funding the development of the Business Plan

The current draft Terms of Reference has been reviewed by a number of industry professionals who estimate the commercial cost in preparing a plan as described is circa \$100k. The Alliance directors acknowledge that members have no appetite for funding a document to this cost level and therefore have elected to:

- Prepare the Plan using the existing resources of the executive officer and several directors with relevant specialty and this would be the focus of activity between now and end November; and
- Suspend the payment of director fees in order to generate some needed operational funds to write the Plan and generate activity income.

3. SIBI Review

All Alliance members were invited to participate in the review of the Sheep Industry Business Innovation Project, which was held the day prior to Sheep Updates. The Alliance does not have a governance role of SIBI but it is asked to provide comment on the effectiveness of the programs.

Six Alliance directors plus several general members attended the Review and a formal milestone report is being prepared to SIBI on the review findings. Alliance members are invited to comment on the following *draft* findings, which will form the basis of our next milestone report to SIBI:

- The ethos of SIBI is great, it is the delivery and capacity to 'transform' industry and meet the ambitious objectives that is under question;
- Based on the reporting provided, the Alliance believes the large number of programs (16) means that little 'transformation' can be realistically achieved and a stronger set out outcomes would be likely if SIBI was refined to less programs with greater resourcing in order to make a greater impact with fewer projects.



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4. Opportunities for collaboration

The Alliance directors took the opportunity to hear from Strategic planning consultants Russell Barnett and David Thomas at its September board meeting. The two have prepared a model for an all-of WA Agricultural Research Institute, in a framework that has particular relevance to the proposed Sheep Business Centre. Similar institutes have been established in the Marine and Mining sectors.

5. Sheep CRC Big Data project and collaborative R&D

James Rowe from the Sheep CRC presented to the meeting to outline plans for a Big Data project that has great relevance to WA and should result in a predictive real-time decision making tool that considers weather, feed, genetics and phenotype. The Alliance will pursue opportunities for WA collaboration on this project. We took the opportunity to seek counsel on the success factors of the Sheep CRC model as we contemplate the WA investment plan. His counsel was that "the cornerstone to developing a successful RD&E entity is to first understand and agree upon what it is you want to do" - and reinforced the need for a plan to do that. James heralded the Sheep CRC as an excellent example of industry-led research that sits outside Govt and noted that ***"If there isn't industry ownership and excitement – then just forget it!"***

We whole-heartedly agree - and therefore your participation and feedback to our plan as it is developed, will be the litmus test for that.

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