

Final Report

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Revision of the ORC Evidence Framework for the Banana Industry

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Summary

The banana industry in Australia has experienced 2 major biosecurity events in recent years, with the incursion of banana freckle into the Northern Territory and Panama disease into far North Queensland. As the Queensland event was not considered an exotic incursion into Australia, the nationally agreed Emergency Plant Pest Response Deed¹ was not relevant, and the disease was managed under an agreed approach between industry and governments.

The banana freckle incursion into Northern Territory was an exotic, and therefore managed as a national response under the Deed. A part of the Deed arrangements is the Owner Reimbursement Cost (ORC) Evidence Framework, which is used to assist Deed partners allocate compensation. Such a framework was developed for the banana response in the NT, but this requires revision to meet the structure of the entire Australian banana industry.

The Evidence Framework is built on a 'Hierarchy of Evidence', which is a series of agreed evidence sources that can be used by growers as proof of their economic losses as a result of the incursion and response. The framework also includes Appendices that provide worked examples of losses.

Ag Dynamics were engaged to prepare the revised evidence framework documents. After consultation with the Australian Banana Growers Council (ABGC), close collaboration with Plant Health Australia (PHA), and discussions with growers, government agencies and representative groups from major production regions, draft versions of both the Hierarchy of Evidence and Appendices have been completed.

Econsearch, an Adelaide-based agricultural economist consultancy, were sub-contracted to support the development of the Appendices to the Hierarchy of Evidence.

In late 2018, Ag Dynamics were asked to review the information contained within the Appendices to reflect updated information from the industry benchmarking project – BA16009. This was completed in January 2019 and submitted to Hort Innovation.

It should be noted that the Evidence Framework included as part of the Final Report is currently only in draft format, as the ABGC is yet to finalise the endorsement of these. For this reason, they are provided as confidential documents separately to this report.

Keywords

Banana, biosecurity, owner reimbursement costs

¹ <http://www.planthealthaustralia.com.au/biosecurity/emergency-plant-pest-response-deed/>

Introduction

Bananas are one of the major horticultural industries in Australia, with an economic benefit of \$1.1 billion annually, and supporting 10,000 full time equivalent jobs. The major production region is in Queensland, but with production spread across 4 states, it is a nationally significant industry.

Biosecurity is highly relevant to the industry, with recent incursions of diseases into the Northern Territory and Queensland. As a signatory to the Emergency Plant Pest Response Deed, represented by the Australian Banana Growers Council, the industry has recognised the need for a national approach to biosecurity.

A successful biosecurity system relies on early detection of a new pest, increasing the chance of eradication. The longer a pest is allowed to establish without an eradication effort, the greater an incursion response will cost. In many cases, once a pest is fully established, eradication is impossible and ongoing management becomes a cost borne mostly by growers, adding a further cost of production.

An essential part of encouraging early reporting is for the industry to have confidence in the support from all stakeholders in the event of an incursion response, which in turn is underpinned by a reimbursement framework for costs to owners. The Emergency Plant Pest Response Deed sets out how such a reimbursement framework should be established.

Central to the framework is the hierarchy of evidence and ensuring this is relevant for the industry is the first step in establishing a robust system. To test the relevance of the evidence system, case studies or worked examples can be developed and are included in the framework as Appendices.

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The development of the ORC Evidence Framework was contracted to Ag Dynamics as part of the Hort Innovation project BA16012. The project commenced with consultations with industry and government to define the scope of the project and agree on the structure of the framework to be developed.

Evidence gathering looked at existing information, such as banana industry benchmarking data, including the current updated information from BA16009 Banana Enterprise Performance Comparison 2016/17. Different business models within the banana industry were assessed, including regional variations, and from these the draft ORC Evidence Framework was prepared.

Several drafts of the Evidence Framework have been prepared and extensively discussed and reviewed with PHA, ABGC and industry stakeholders. However, due to the time taken to work through these multiple revisions, the final version of the framework is yet to be formally endorsed, noting that further revisions to the Appendices were requested in late 2018 to consider updated information from the project BA16009.

Industry endorsement will be obtained in collaboration with ABGC.

Methodology

The process of developing the Owner Reimbursement Cost Framework used the following approach:

Stakeholder Consultation:

The structure of the Emergency Plant Pest Response Deed is such that both industry and governments are

partners under any incursion response. The Owner Reimbursement Costs is only one part of the Deed, but requires endorsement by both these stakeholder groups, hence consultation was undertaken across these groups.

Government

Direct meetings with key government partners was undertaken, both face to face and via phone. As the endorsement process is still to be completed, further discussions beyond the completion of this final report are anticipated.

Industry

This included liaison with the peak body, Australian Banana Growers Council (ABGC) and through them, direct engagement with growers in each of the 4 banana producing states.

Considering the extensive area under which bananas are produced, travel to each region was necessarily be restricted. Whilst initial visits to gather information for the framework were limited to Queensland, growers in all regions were engaged via phone contact.

Plant Health Australia

PHA are a key actor in the development of this ORC Evidence Framework. Part of their normal responsibilities to member industries is to support the development of ORC frameworks. An initial meeting was held with PHA in Canberra, and several follow up phone calls were held to discuss the development of the Framework.

Collecting and Synthesizing Evidence

The ORC Evidence Framework is made up of 2 primary elements, each of which was developed from the stakeholder consultations.

Hierarchy of Evidence

The framework is built around the 'Hierarchy of Evidence'. A formula included in the Deed outlines how reimbursable costs will be calculated in the event of an incursion, but under each of the elements of the formula, a 'hierarchy of evidence' is agreed to by the signatories to the Deed.

The basic framework is already in place in the previous draft Banana ORC Evidence Framework used for the banana freckle incursion in the NT, and this was used as the basis for developing the updated Framework. No Appendices were developed for this earlier version of the Framework, only the Hierarchy of Evidence

Appendices

The appendices to the Evidence Framework are where worked examples of banana enterprises are included.

It is possible under the Deed to have several different examples in the case studies. In the case of the draft Framework, 2 examples are included, as well as additional information on regional variations in yield and crop cycles.

The earlier version of the ORC framework used for the Northern Territory banana freckle incursion did not include Appendices. Instead, the process adopted for this project was to take the structure used in the citrus ORC Framework and use this as a template to develop the banana appendices. Information was initially taken from the industry project *Banana Enterprise Performance Comparison (Project BA11026) Phase 3*. This information, as well as regional variations, were verified using a range of sources, including discussions with growers.

In late 2018, Ag Dynamics were asked to update the information in the Appendices using the recently released report, *Banana Enterprise Comparison 2016/17 (BA16009)*. This was completed in January 2019.

Stakeholder Validation of Findings

At each stage of the development of the Framework, ABGC, PHA and where appropriate, growers and

other stakeholders, were engaged in validating data being used.

At the time of preparing this final report, ABGC had indicated their endorsement of the Hierarchy of Evidence and Appendices. This was based on the validation of the information contained in the submitted drafts, both by Ag Dynamics directly with growers, and by ABGC through their own activities.

Submitting Revised ORC Evidence Framework

The process of how the framework is submitted for endorsement is part of the Deed arrangements. The process of developing the framework was participatory and iterative with all stakeholders, as described above.

Therefore, based on the consultation and validation process with stakeholders, Ag Dynamics has presented the completed framework to ABGC, as the industry signatory to the Deed, in a format and quality that can be submitted via PHA to the other Deed parties.

Outputs

At Milestone 102, a Workplan, Programme Logic, M&E Plan and Communication Plan were provided. Reflecting the limited nature of this project, these documents were also limited in their detail. This report was submitted and approved by Hort Innovation on 8th February 2018.

Milestone 103 report was submitted and approved by Hort Innovation on 6th April 2018.

Through a series of draft versions, the major Outputs from this project are the elements of the Owner Reimbursement Cost Framework:

- 1. Hierarchy of Evidence**
- 2. Appendices**

These are both currently in draft format and cannot be publicly released until endorsed by all parties to the Deed. Whilst the draft versions have been submitted separately to Hort Innovation to confirm the status of the project, they are not included as Appendices to this report.

Outcomes

The Request for Proposals for BA16012 sought 2 outcomes for this project:

- The Australian banana industry has a revised Owner Reimbursement Costs Evidence Framework that is relevant to most enterprise types
- The impact of emergency plant pest incursions and responses is reduced in instances where affected growers are eligible for reimbursement as a result of losses during a response.

Although still in draft format, the final drafts of Owner Reimbursement Cost Evidence Framework have been accepted by both PHA and ABGC. The process of taking this to formal endorsement is now underway (refer to Appendix for copy of relevant email correspondence confirming this).

Outcome 2 will only be tested in the case of an emergency response under the Deed. As this is not currently occurring (and hopefully not in the future), then the Outcome is theoretical only.

Monitoring and evaluation

Due to the narrow focus and nature of this assignment, the M&E plan submitted as per Milestone 102

reflected the deliverables of the project, rather than specific Key Evaluation Questions.

There were 4 Milestones as per the signed agreement:

- Milestone 101 - Agreement Signed. IP Arrangements in place
- Milestone 102 - Workplan incorporating program logic, M&E plan, risk register and stakeholder engagement plan
- Milestone 103 - Draft report on consultation, including draft work on hierarchy of evidence, case studies and (if possible) appendices
- Milestone 190 - Final Report Received by Horticulture Innovation Australia and final Statement of Receipts and Expenditure received.

Milestone 102 and 103 reports were submitted and accepted in February and April 2018 respectively.

Recommendations

The process of developing the ORC Evidence Framework relies on partners that the project leader is not in a strong position to influence. This means that other partners and stakeholders are required to perform to a timeframe that the agreement stipulates, and when this does not occur, Milestone dates are difficult to achieve.

Whilst this is not easy to manage, the process of an open-ended document development such as an ORC Evidence Framework does not match that of a project well.

Intellectual property, commercialisation and confidentiality

No project IP, project outputs, commercialisation or confidentiality issues to report