

GROWER RESEARCH ADVISORY COMMITTEE (GRAC)

Investment evaluation and decision process

Introduction

A review of the governance of the Grower Research Advisory Committee (GRAC) investment evaluation and decision process in 2019/2020, identified the following three key areas warranting further consideration by GRAC membership:

- The principle of equity across growers
- The need to ensure RD&E activities are aligned with investment plans, and
- Robust scrutiny of scientific merit of research proposals.

Equity

The principle of equity of investment across forest types and geographic regions was considered by the Governance working group, which proposed a complex allocation of specific funding targets to each forest type, to be tested with the broader GRAC group. GRAC subsequently agreed (June 2022) that the GRAC Executive Committee, made up of forest managers from the major forest types and forestry regions across Australia, would be best placed to oversee the appropriate and equitable allocation of resources. Supporting that decision is the practice of periodically analysing the level of actual investment in each investment plan theme against the targets set in 2019/2020, and for reasonable balance of research investment of benefit to the various forest types and regions. The GRAC Executive Committee considers this analysis in proposal evaluation as does FWPA when calling for proposals - for example excluding an investment plan theme if it has reached its current investment target.

Alignment with Investment Plans

The initial GRAC Investment Plans (IPs) were developed in 2019 through a comprehensive consultative process involving growers and the research community to identify RD&E priorities. Overall priorities across all IPs were assessed using a combination of benefit-cost analysis and risk via a workshop that covered all key areas of grower interest and existing research capabilities. This process culminated in a five-year portfolio of RD&E priorities, including anticipated research cost.

Investment plans are reviewed periodically and revised as necessary through consultation with industry and relevant researchers. The frequency of review depends on factors including the rate of change of the industry operating environment, technical evolution, external change, and the rate at which progress against the plan is being achieved but would be expected to be in range of once every two to five years.

The GRAC agreed that it is important that RD&E proposals are aligned to priorities identified in the IPs, but that there must also be scope to address emerging issues not addressed by the IPs. It was initially agreed that around 20 per cent of the annual RD&E budget should be reserved for proposals to advance research outside the agreed investment priorities, where proponents can demonstrate substantive industry support. Through experience of receiving few proposals outside of identified

priorities, it was agreed that flexibility around this figure is needed and should be considered as guidance on the principle of being open to new research ideas.

Scrutiny of scientific merit

A Scientific Advisory Panel was successfully trialled in 2022 and engaged again in 2023. In both years, the Panel consisted of two grower members and two external members, all with relevant experience and expertise in forestry research and research management. The Panel evaluates the proposals for scientific merit and provides advice to the GRAC Executive Committee. Following each Panel engagement, the Panel members, FWPA and the GRAC Executive Committee reflect on the process and outcomes of the evaluation and suggest improvements. To remain aligned with progress in science and technology, it is important to regularly re-evaluate the composition of expertise needed and make changes accordingly.

Workflows – RD&E proposals

The indicative workflows are set out below and in Figure 1, as guidance. Figure 1 describes a one-stage process; however, a two-stage process may also be used, whereby project concepts are submitted to FWPA and reviewed at a high level before full proposals are developed with input from interested growers. A two-stage process provides visibility of the research that is being considered and enables interested growers to contribute to shaping the proposal.

- 1) FWPA Head of Forest Research issues a call for RD&E proposals.
- 2) All RD&E proposals submitted by the closing date are collated by the FWPA Head of Forest Research and reviewed against Investment Plans.
- 3) This assessment is considered by the GRAC Executive Committee.
- 4) The GRAC Executive Committee may exclude project concepts or proposals from evaluation that are clearly outside of the scope of GRAC, or which fail to demonstrate industry benefit.
- 5) RD&E proposals are passed on to the Scientific Advisory Panel.
- 6) Any proposals that are not RD&E proposals and are seeking funding under the GCC alone are assessed by the GRAC Executive Committee. The GRAC Executive Committee may seek input to their assessment from the Scientific Advisory Panel or others.
- 7) The Scientific Advisory Panel reviews RD&E proposals and provides its report and recommendations to the GRAC Executive Committee. The review may include proposals seeking levy funds and/or GCC funds, with or without voluntary matching.
- 8) An ex-ante analysis of benefit-cost may be undertaken on the proposals, with input from a working group of growers. This report is provided to the GRAC Executive Committee.
- 9) If the GRAC Executive Committee considers the Scientific Advisory Panel recommendations and the benefit-cost analysis, alongside other factors such as available budget and equity matters, and draft recommendations for investment for the FWPA Board.
- 10) The draft recommendations are circulated to the broader GRAC group and the GRAC Executive Committee finalises its recommendations with consideration of feedback. A 75% majority by GRAC Executive Committee is sufficient for the GRAC Executive Committee to finalise recommendations.
- 11) If the GRAC Executive Committee disagrees with the recommendations of the Scientific Advisory Panel, there is opportunity to meet to discuss and resolve.
- 12) The Head of Forest Research prepares a paper for the FWPA Board based on the GRAC Executive Committee recommendations.

13) For projects investing GCC funds, growers not contributing GCC may participate by contributing funds to the project through FWPA (to have cash matched by Commonwealth matching payments), or directly with the research provider (contributions will not be matched).

Workflows – Operational Proposals seeking GCC funding

When proposals fall outside RD&E and are purely operational or targeted at non-research outcomes (not eligible for Commonwealth matching payments), proposals will originate from or be considered by AFPA’s Growers Chamber. The Growers Chamber will provide recommendations for funding to the GRAC Executive Committee. The GRAC Executive Committee will:

- i. Oversee the level of available operational project \$ and keep Growers Chamber informed.
- ii. Approve funding with consideration of recommendations from the Growers Chamber.
- iii. In conjunction with FWPA, provide the means to contract approved projects with third parties.

The Growers Chamber may seek and secure additional funds from growers who are not contributors to the GCC. The workflows for operational proposals are set out in Figure 2. Table 1 sets out the roles, responsibilities, accountabilities, and authorities for investment decisions.

Table 1: Roles, responsibilities, accountabilities and authorities

Funding source	Proposal development	Eligible activities	Proposal review	Funding recommendation	Funding decision
Levy – Forestry RD&E program	Proponent and interest groups	<ul style="list-style-type: none"> RD&E activities defined in investment plans (matchable) Collaborative operational activities (non-matchable) Other collaborative activities that provide value or build RD&E capacity (matchable and non-matchable) 	<p>Amounts up to \$150k pa and up to 2 years – FPWA Head of Forest Research</p> <p>Amounts more than \$150k pa or projects longer than 2 years - GRAC and GRAC Executive Committee</p>	<p>Amounts up to \$150k pa and up to 2 years – FWPA Head of Forest Research</p> <p>Amounts more than \$150k pa or projects longer than 2 years - GRAC EC</p>	<p>Amounts up to \$150k pa and up to 2 years – FWPA CEO</p> <p>Amounts more than \$150k pa or projects longer than 2 years - FWPA Board</p>
Voluntary Matching	Proponent and interest groups as agreed by funding partners	RD&E activities	FWPA management. GRAC and GRAC EC review included if approved by the proponent	FWPA management (informed by GRAC EC if reviewed)	<p>Amounts up to \$150k pa or up to 2 years – FWPA CEO</p> <p>Amounts >150k pa or more than 2 years - FWPA Board</p>
Grower Collaboration Fund And Grower Collaborative Commitments	<ul style="list-style-type: none"> Proponent and interest groups in accordance with parameters of a call for proposals or in response to an emerging need by grower members. AFPA Growers Chamber 	<ul style="list-style-type: none"> RD&E activities defined in investment plans or identified as an emerging need by grower members. Collaborative operational activities Other collaborative activities that provide value or build RD&E capacity 	<ul style="list-style-type: none"> RD&E - GRAC Operational activities – Growers Chamber Other activities - GRAC 	<ul style="list-style-type: none"> RD&E - GRAC EC Operational activities – Growers Chamber Other activities - GRAC EC 	FWPA Board

Figure 1: Workflows for RD&E Proposals

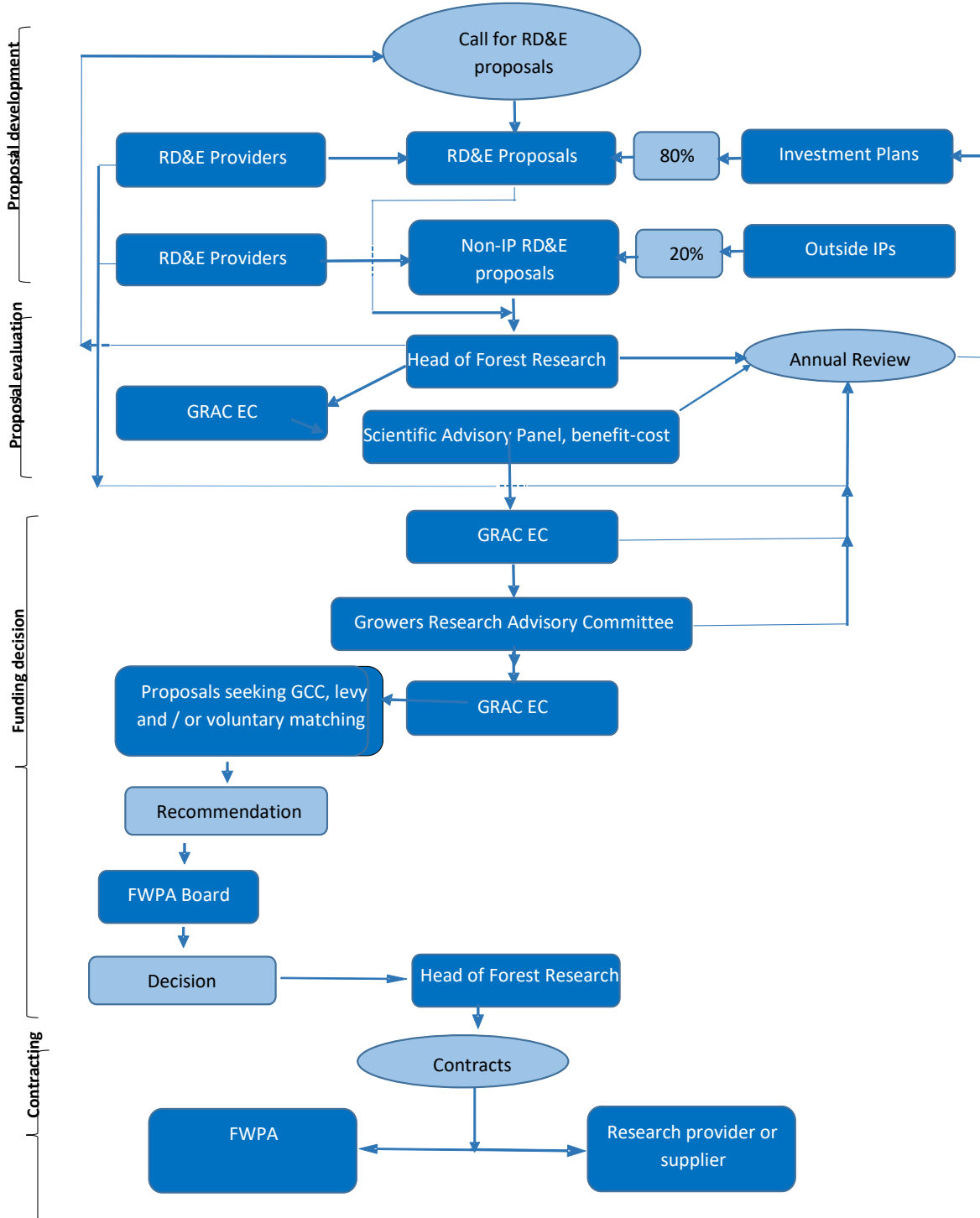


Figure 2 : Workflows for Operational Proposals

