



TURNBULL
CONSULTANTS

TURNBULL

your extra asset

Department of Regional
Development, Primary Industry,
Fisheries and Resources

Primary Industry Function Review

December 2008



1 Executive Summary

1.1 Overview of Key Challenges Facing Primary Industry in the Northern Territory

Over the last thirty years, the Primary Industries Group has made a significant contribution to the economic development of the Northern Territory through its efforts to encourage and support the expansion of agricultural production through a diverse range of activities, including research, advice and extension services to identify and support the establishment of new crops and new breeds of livestock in the NT, development of new markets within Australia and overseas for NT agricultural produce, biosecurity and market access support services to protect the health and support the marketability of NT agricultural produce.

Over this period, the relative importance of primary industry to the NT economy has declined as the NT economy has expanded significantly, particularly in relation to the growth of the minerals and energy sector.

However, the primary industries sector has continued to grow with new crops being produced (e.g. Asian vegetables), and the forecasts indicate continued growth of the horticulture industry (as outlined in Attachment C). The NT pastoral industry has achieved double the national productivity growth over the last 27 years.

It is also recognised that the expectations of the community of the NT Government have also evolved and increased during this period. This has included a significant focus on indigenous issues through the initiatives arising from the Government's "Closing the Gap".

In the future, primary industries in the NT will need to take account of:

- Climate change and emissions trading, with the potential for significant changes in the climate of current production areas;
- Sustainable development, particularly in the context of pressures for the NT to be the centre of greater agricultural production as southern Australia is impacted by ongoing drought and water shortages in the traditional food producing regions;
- Availability of land for primary industry development in the NT;
- Water management pressures arising from increased food production in the NT;
- Rising fuel and transport costs and the impacts of this on NT markets;
- Increasing focus on biosecurity, with the NT seen as a gateway in dealing with threats emanating from South-east Asia;
- How to provide appropriate infrastructure to support the development of primary industries in the NT;
- The continuing focus on animal welfare from animal rights groups in Australia and overseas;

- An increasing consumer focus on food quality and safety;
- NT Government priorities for indigenous development in the context of *"Closing the Gap"*;
- Increased NT Government focus on regional development, with the Department being looked to as a leader in this area;
- Increasing investment in commercial forestry;
- Ongoing funding pressures on the Department as the NT Government deals with a wide range of funding priorities for health and social infrastructure;
- Significant difficulties in recruiting and retaining professional and technical staff to work in the NT. The Primary Industries Group faces particular challenges arising from the age profile of some of its workforce in key areas.

It is noted that the Department is currently dealing with many of these matters.

1.2 Implications for the Primary Industries Group

This report indicates that in the future, the Primary Industries Group will face a range of significant external changes and challenges which will have a profound impact on the management of the Group and the nature of the programs and services it provides to primary producers in the future.

These changes also imply the need for the Primary Industries Group to undergo a significant re-focus of the programs and services it provides and the manner in which they are delivered to primary producers.

In particular, the Primary Industries Group and DRDPIFR will need to be able to:

- Operate in an environment of considerable and continuing external change to primary industry in the NT and deal proactively with a range of local and national emerging issues and challenges related to the sustainable development of primary industries in the Northern Territory;
- Influence policy and program outcomes within the NT public sector to facilitate the sustainable development of primary industries in the Northern Territory;
- Engage proactively with other NT agencies on key issues related to the sustainable development of primary industries in the Northern Territory;
- Engage effectively with its stakeholders;
- Articulate the interests of the NT primary industries sector;
- Represent and articulate the interests of the Territory in relevant national and international forums;

- Deal with ongoing budgetary pressures arising from competition from other sectors which have higher economic, social and community priority than primary industries and re-define priorities for programs and services in line with the available budget;
- Consider significant changes to the operating model of the Primary Industries Group to deal with emerging issues and challenges against a background of ongoing resourcing pressures;
- Focus on meeting its statutory and intergovernmental obligations in relation to biosecurity and market access arrangements;
- Develop innovative approaches to providing programs and services in a continuing environment of skills shortages in key professional disciplines;
- Facilitate significant cultural change in the management and staff of the Primary Industries Group to face the emerging priorities for primary industry in the NT;
- Forge strategic partnerships and collaborations with a range of external bodies, including NT and other Commonwealth and State Government agencies, industry groups, universities; and
- Facilitate indigenous development in the NT through expanding employment opportunities for indigenous Australians within the Primary Industries Group and facilitating primary production opportunities for indigenous organisations.

Importantly, the Primary Industries Group and DRDPPIFR more widely need a culture that is proactive, responsive and adaptive. The ultimate organisational arrangements should facilitate and not impede this culture imperative.

It is evident that whilst these challenges are identified as future challenges, many of them are affecting both the role of the Primary Industries Group as well as the Primary Industries sector of the Northern Territory now. Accordingly, both short-term and longer term strategies and transitional mechanisms will be required.

1.3 Summary of Recommendations

It is recommended that:

1. The Department works with the NT Government to develop a policy statement and strategy on the Government's vision (including directions and priorities) for primary industries in the Northern Territory and clearly articulates the role of the Department.
2. Following the presentation of the Government's Policy Statement on Primary Industries, the Department aligns its strategic and business plans and programs and services to take account of the Government's vision, strategies and priorities for primary industry, in consultation with staff and industry groups.

3. The Department develops a comprehensive Change Management Strategy for the implementation of the review, which ensures that staff fully understand the Government's vision, strategies and priorities and its implications for the role of the Department.
4. The Department strengthens its policy capacity and capability to deal with the implications of significant future issues affecting the sustainable development of the primary industries sector in the Northern Territory.
5. DRDPIFR engage at CE level with other key NT Government agencies on key cross-agency and whole of Government primary industries and regional development issues.
6. The Department establishes a formal stakeholder engagement forum for primary industries (the "Primary Industries Consultative Forum"), chaired by the DRDPIFR CE, and rationalises existing stakeholder mechanisms.
7. The Department develops, in consultation with the relevant industry organisations, a research strategy which takes account of and supports the NT Government's policies and strategies for primary industries and the National RD&E Framework. The Primary Industries Research Strategy should have a minimum of a three year horizon, with an annual review aligned with the Government's budget cycle.
8. The Department undertakes a detailed assessment of the relevance and on-going need for each of the research farms, with particular consideration of the Primary Industries Research Strategy and the National RD&E Framework.
9. In the context of the Government's Policy Statement on Primary Industries, the Department develops an extension services strategic framework and increases the leverage of contemporary channels and opportunities for collaborative partnerships with private companies, other agencies and academic institutions.
10. The current approach to market development is continued consistent with the overall economic development strategy of the NTG and to meet the needs of particular primary industries sectors.
11. The CE restructures the Primary Industries Group to take account of the NTG's Policy Statement and Strategies on Primary Industry, streamline the provision of both regulatory and advisory services, improve research outcomes connectivity and enhance biosecurity preparedness and responsiveness.
12. In the context of the restructure of the Primary Industries Group, remove any duplication of corporate functions and more closely integrate program management responsibilities within the respective Divisions.
13. The Department strengthens its capacity and capability to embrace the challenges of indigenous development positively and proactively.
14. In the context of the relocation of the CE and some Group Heads to Alice Springs, the Department allocates regional directors appropriate roles and responsibilities for program management.
15. The Department develops and implements a Workforce Plan for the Primary Industries Group, with a particular focus on professional and technical staff.
16. The CE reviews how the organisation is managed.