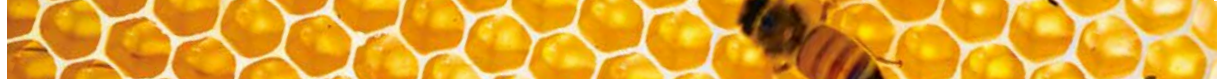


SOUTH AUSTRALIA
FEEDING CONNECTIONS

SOUTH AUSTRALIAN
FOOD AND BEVERAGE
A FRAMEWORK FOR GROWTH
THROUGH INNOVATION





Introduction

'Innovation' and 'collaboration' are two words that are much talked of in many industries. The South Australian food and beverage industry is one sector that has frequently demonstrated the achievements that can come from effective collaboration and innovation.

In our state, an unflagging appetite for finding new and clever ways to do business is integral to almost two decades of consistent growth, and worldwide business trends show that small, agile and flexible businesses are in the prime position to respond to both ever-changing consumer demands and the challenges of the business environment.

As the peak body of the industry, Food South Australia is committed to ensuring our sector has an effective and united voice, and that across the many programs, projects and policies affecting our industry, the needs and priorities of the industry are well understood.

This was the key driver behind the South Australian Food Industry Growth Through Innovation (GTI) Strategy Research Project undertaken by Food South Australia in 2016/17, with support from Primary Industries and Regions South Australia. The GTI Strategy Research Project, along with insights gained through Food South Australia's industry programs and projects, has assisted with the development of this strategic framework.

The role of this framework is to inform all those involved with, and connected to, the South Australian food and beverage industry. Rather than providing a rigid recipe for development, it is intended to ensure the creativity that feeds collaboration and innovation for our industry is provided with evidence-based information to ensure proposals are responding to real, known needs and challenges.

There are many opportunities for South Australian industry and policy development under this overarching strategic framework. Not everyone can – or should – attempt to respond to all the themes and needs identified. We encourage you to use this framework to provide the context to develop and support growth through innovation across our industry where you can.

Food South Australia welcomes you to the table to work with us and our industry to develop and deliver innovative and collaborative success for both our sector and our state.

Catherine Sayer

CEO, Food South Australia



A framework for growth

The South Australian food and beverage industry is a major contributor to the economy of South Australia and employs nearly one in five working South Australians. The sector has shown consistent growth year on year for almost two decades. South Australian food and beverage brands and products are renowned internationally for our quality and the rigorous systems and standards for food safety.

In a challenging manufacturing environment, the food and beverage industry in this state has significant opportunities for growth, particularly through innovation and collaboration. There are many agencies, businesses, and activities relevant to successful growth and innovation for the industry, operating at local, state and national levels. Successful collaboration and communication between these groups is essential to meet the state's objectives for growth.

The role of this strategic framework is to provide the industry and relevant agencies, organisations and businesses with an insight into the industry's requirements and context for the development of projects designed to facilitate innovation and growth for the sector.

Definitions

For the purpose of this framework and related strategy project development, growth is defined as increasing sales, expanding markets, improving profitability and creating new jobs in the South Australian food and beverage sector.

Innovation is defined as including both the solution-seeking process and the resulting outcome that resolves a constraint or enables uptake of an opportunity. A successful innovation environment is characterised by strong stakeholder involvement - including a shared and inspiring future vision, availability of essential skills, a collaborative culture, openness to experimentation, positive and flexible responses to disruption, and sufficient resources.

This framework comprises four key components identified by the food and beverage industry as essential to successful growth through innovation. These are:

- Facilitating opportunities for business and industry growth
- Growing skills and creating clear career paths for the food and beverage industry
- Co-operation to create an environment for successful collaboration
- Collaboration to facilitate innovative business models


Within each of these components, opportunities exist for specific projects and strategies to be implemented at policy and industry levels, and a number of industry proposals identified during the GTI Strategic Research Project are described in the following pages.



Facilitating opportunities for business and industry growth

There is no shortage of potential opportunities for growth, however food and beverage businesses have identified some critical barriers to uptake of those opportunities. To facilitate innovation, actions recommended by industry include:

- Reviewing current industry support, including grant programs, to identify and resolve barriers for access, particularly for newer businesses such as company structure, years of operation and turnover.
- Mapping of compliance and regulation programs to identify areas of duplication, and bringing stakeholders together to identify and deliver efficiencies wherever possible – expanding on the current review by the Australian Food and Grocery Council and working with all levels of Government.
- Equipping industry with the knowledge, skills and targeted support to reach their growth goals.
- Fostering the development of food products with the potential to support improved health and wellbeing outcomes and meet nutritional needs of specific consumer groups, for example the active and frail aged.



Growing skills and creating clear career paths in the food and beverage industry

The agriculture, food and beverage sector already employs almost one in five working South Australians. Growth in this sector is a critical contributor to employment for the state with significant potential to increase, particularly through the steady addition of employees to smaller businesses.

Food and beverage businesses report a critical problem with achieving this objective is the lack of suitable recruits for these developing roles. Specific actions recommended include:

- Connecting the key stakeholders to create tailored programs to deliver skills development for new food and beverage businesses in finance, market development, business systems, risk management and business planning to create a robust and sustainable industry able to support job and market growth.
- Collaborating with educators, training organisations, industry, and government and industry agencies to identify skill gaps and develop and communicate career pathways at entry and middle management levels, and to support entrepreneurship for the food and beverage industry.
- Revising training delivery models to facilitate uptake of training in the workplace and reduce current barriers including time constraints and associated business costs.



Co-operation to create an environment for successful collaboration

A successful innovation environment is characterised by strong stakeholder involvement (including a shared and inspiring future vision), availability of essential skills, a collaborative culture, openness to experimentation, positive and flexible responses to disruption and sufficient resources. Industry recommendations to facilitate the development of this environment include:

- Facilitating the development of an innovation agenda for the industry and clear leadership for fostering that agenda.
- Fostering of an environment for collaboration that is characterised by high levels of trust, facilitated by credible, independent agencies tasked with effective communication, and with sufficient resources and accountability, for example through the South Australian Food Innovation Centre and relevant cluster projects.



Collaboration to facilitate innovative business models

The food and beverage, and manufacturing environment is increasingly challenging. External constraints are increasingly inhibiting growth opportunities. To facilitate innovative business models, industry recommends:

- Working with stakeholders to seek opportunities for innovative approaches to critical growth constraints, including utilities, input costs, compliance, and waste management.
- Developing strategies for utilisation and leverage of existing capabilities, such as models for centralised accreditation support and other services through the proposed Food Park (for example interstate ingredient import compliance, distribution, cold stores).
- Resolving known gaps in areas of expertise, including new generation packaging technologies and tailored engineering solutions supported locally.
- Adoption of innovative and advanced technologies.



Supporting strategic objectives

This framework supports key strategic priorities for the State Government of South Australia, including the Premium Food and Wine Produced in our Clean Environment and Exported to the World, and state goals for food waste reduction and regional development. The innovation opportunities also support the development of Industry 4.0 enabled capabilities in the South Australian food and beverage sector, supporting the Federal Government's strategy for advanced manufacturing growth.

The framework also provides opportunities to connect and collaborate between agencies and sectors to foster innovation that also progress other state priorities, including opening doors for small business to enable growth in niche markets and innovation to support health and ageing.

The South Australian Food Industry Growth Through Innovation Strategy Research Project

In 2016, the Centre for Global Food and Resources was commissioned to work with Food South Australia to conduct a study of drivers and barriers of growth through innovation in the South Australian agrifood sector. The aim of this project was to identify the potential for growth based on innovation opportunities with a strong focus on collaboration, and to develop this industry-led strategic framework.

The research project comprised an online survey, in-depth interviews and industry consultations, and applied a 'sectoral systems of innovation (SSI) framework. Food and beverage manufacturers and producers actively adding value at the farm gate were invited to participate in the survey, while the interview phase focused on high achieving and innovative businesses identified through the South Australian Food Industry Awards program. The industry consultations included discussions with regional food manufacturers and a final workshop with a group of industry leaders.

More information about the research project and key findings is available on the Food South Australia website www.foodsouthaustralia.com.au



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