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Agricultural Competitiveness Taskforce
Department of the Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

Dear Taskforce Members

The Primary Industries Research and Innovation Committee (R&I) welcomes the release of, and opportunity to comment on, the Agricultural Competitiveness Green Paper.

The R&I Committee is an Advisory Committee to the Agriculture Senior Officials Committee (AGSOC), and has representatives from Rural Research and Development Corporations (RDCs), Universities, and all jurisdictions. The R&I Committee is responsible for the oversight of the development and implementation of the National Primary Industries Research, Development and Extension Framework (the Framework).

Importantly, the R&I Committee is a national mechanism for collaboration to promote and strengthen domestic research and development (R&D), and has a vital and critical role in ensuring that the national primary industries innovation system is focused and coordinated. Its current work plan focuses on the implementation of the 22 national strategies and key issues affecting the system. These issues include the future of extension provision, performance monitoring and assessment for Australia's rural innovation system, potential future research models, and how best to assist and promote cross-sectoral research and collaboration under the Framework.

The R&I Committee strongly supports the Australian Government's commitment to investment in research, development and extension (RD&E). As discussed in the Green Paper, innovative advances from R&D are key to ensuring the continued productivity of agricultural industries for tomorrow's communities. Domestic R&D is one of the most important factors in achieving better returns at the farm gate to ensure a sustainable and competitive Australian agriculture sector. The Committee welcomes that the Green Paper acknowledges the importance of the Framework in underpinning Australia's rural innovation system. The R&I Committee would strongly support reaffirmation of the Australian Government's commitment to the RD&E Framework, and emphasises the major overarching benefits to this Framework approach, including:

- 22 agreed national strategies with combined national effort and a national focus on cross-sector areas,
- A focus on future capability needs that had previously been limited,
- Broader, more inclusive governance arrangements involving a larger number of relevant parties,
- A more strategic engagement between industries and governments,
- Improved teamwork and a culture of collaboration,
- More stable funding arrangements allowing for longer term investments and better resource planning, and

- An integrated national RD&E system.

The R&I Committee strongly supports the Green Paper's suggestion to further strengthen the RD&E system. We believe that the RD&E Framework provides a strong platform from which to do this. The suggested coordination of cross-sectoral research could be facilitated by highly focused and supported cross-sectoral strategies under the Framework, of which there are currently eight.

The R&I Committee makes the following specific comments in regards to the Green Paper's *Policy idea 20 – Strengthening the RD&E system*:

- a) We strongly support the updating of the rural RD&E priorities to better align with community needs. The R&I Committee acknowledges the importance of the suggested priorities, *advanced technology, biosecurity, soil, water and natural resource management, and adoption of R&D*. Given the ongoing importance of productivity in rural R&D, we also believe it is important to include *Productivity and Adding Value*, which focuses on improving the productivity and profitability of existing industries and supports the development of viable new industries, as one of the rural RD&E priorities;
- b) We have been responsible for developing eight cross-sectoral strategies and assisting in their implementation. We feel that continuing to work within the existing structures will ensure that collaboration and cross-sectoral research remains industry driven and targeted at real gains and benefits for the industries involved. We believe that the R&I Committee, with its representation from all jurisdictions, is in a position to assist in the further coordination and progression of cross-sectoral research under the current structure;
- c) Anything that assists in promoting greater private industry investment in the R&D system, such as the suggestion to enhance access to the R&D Tax Incentive, is supported by the R&I Committee;
- d) Promoting the development of extension services is an area that has been under active consideration by the R&I Committee. We strongly believe that there is ongoing need for access to extension services in Australia, which may, in fact, be amplified due to the significant and increasing challenges faced by Australian primary industries. We believe that Government and RDCs should support and facilitate private provision of extension services, and that all research funded through the primary industries research network must have a pathway to extension and adoption;
- e) We feel that in some situations the decentralisation of RDCs may work effectively. For example, the Cotton RDC (CRDC) is already decentralised and operating effectively and close to industry. Part of the success of CRDC's location in Narrabri is driven by it being centrally located to the industry it serves. We would note that for more geographically dispersed industries, decentralisation may not be as effective or appropriate; and
- f) We support regular assessments of the RD&E system, and note that under the Framework we review our own activities. Most recent was the 2012 Allen Consulting Group report, *Evaluation of the National Primary Industries RD&E Framework*, which found that the RD&E Framework has facilitated increased collaboration and led to a more effective use of resources. We also note that one of the next pieces of work the R&I Committee is undertaking is how to better evaluate the performance of the rural innovation system in a coordinated manner across jurisdictions, RDCs, universities, and other providers.

In regards to *Policy idea 21 – Improving the rural RDCs*, the R&I Committee believe that RDCs provide strong, tangible outcomes for farmers, and that continued investment in research through RDCs will be critical for the future of Australian agriculture. A key to this will be, at the very least, maintaining the current quantum of investment. The Committee also notes the following:

- a) We support any outcomes that increase transparency and reduces costs in relation to the RDC model; and
- b) We support increased flexibility in the system with a focus on the provision and funding of research, which should not be diminished by the redistribution of research funds to non-research activities.

We are pleased to note that the Commonwealth outlines in the Green Paper an ongoing commitment to a co-investment model, and acknowledges that Australia's rural innovation system is globally unique and highly regarded. The R&I Committee strongly believes that the current co-investment model, which includes key players like the RDCs, the Australian Government, universities, the States and Territories, and industry, is a critical factor in the success of the Australian system. Further, we believe that it will be important for the Commonwealth to continue to support key planks in this system, such as RDCs.

Yours sincerely



MICHAEL BULLEN
CHAIR
RESEARCH AND INNOVATION COMMITTEE

12.12.2014