

Productivity Commission inquiry into the Australian Government Research and Development Corporations model.

Comments for consideration from Dr Kath Cooper + Mr Mike Elleway.

We both have experience with Rural Research and Development Corporations (RRDCs), from employment in scientific research (particularly Kath, with a significant career behind her as a research fellow funded by RIRDC and its predecessors, and subsequently GRDC). As farmers, we currently contribute grain and wool levies. Mike, in particular has been a long term contributor of levies, by means of his long term participation in the wool growing and harvesting industry, and as a career grain producer. We are keen that the results of research and activities funded by these levies are beneficial to farming businesses, and assist farmers to remain viable, if not profitable. Both previously and currently, we interact with RRDC funded staff and programs, and experience the publicity and outcomes from AWI and GRDC.

We are believers in the importance of agriculture within Australia, and would like to see a strong, well-supported and successful research and development sector. Statistics demonstrating the value of this research to Australia will be available and no doubt quoted as part of this inquiry. Research and Development activities can eventually return many more dollars to the industry, than that outlaid to support the research. We are pleased to report that this was the case for our own RRDC research contribution (when employed as researchers).

We hope that the purpose of this inquiry is not to provide excuses to support the reduction of funding allocations for rural research and development. The number of rural research and development projects, and the number of positions available appears to have declined in recent years (say, the last decade, and this trend seems to be accelerating?). Rural producers have fewer people to call on for independent advice, and research programs and primary industries research stations seem to be closing down at an alarming rate. Some of the responsibility for this lies with Federal and State Govt. which appear to see agriculture as a 'soft option' for cutting funds to access these for use in another area. Because of this, otherwise government-funded research areas have become reliant instead on accessing funds from RRDCs for their survival, in turn making less funding available for the types of research projects and positions that RRDCs used to fund. RRDC funding should not be used to replace what should be supported by Govt anyway.

In theory, it is a good plan to have rural industrial workers, such as grain and wool producers, pay an affordable levy, which is matched by govt on 1:1 basis, to support relevant research and development which in turn benefits the producers, their industry and Australia generally. However, given that in recent years rural producers' terms of trade have fallen, with low taxable incomes and large debts, it is right that the activity of RRDCs in the use of funds raised in this way, be scrutinised by a higher body.

We would like to see more (if not all) of the 1: 1 raised RRDC funding go to actual research and development projects. Farmers working hard on low income, and researchers struggling to keep their employment going, do not like to see the seemingly profligate use of these limited publicly raised funds for self promotion/self gratification, large salaries for those with official positions, giving themselves awards, regular travel around the country on trips, repeated reviews of research programs...etc. It would be preferable if the admin. of the GRDC were smaller, with no salary above

that of the prime minister (as Tony Burke has previously commented). Possibly it would be an improvement to have the administration of the GRDC totally government funded, and that when times are tough and funds are tightened, it is not just the research worker end of the sector which has to be cut back.

The administration and operations of RRDCs need to be accountable to a higher authority. We have read that GRDC is accountable to government and grain growers, but don't believe that this is true. Farmers requests to undertake certain research projects, addressed to a panel member have been laughed at into their faces, and that 'the more letters that the GRDC receives in support of this project, the more likely we are to decide not to support it' has been given as a written response. Approaching an MP regarding a damaging GRDC decision, received a response from a senator stating that 'The GRDC can use whatever business plans it likes'. If RRDCs are to continue to manage these valuable research and development funds, there needs to be a better system to make sure that the distribution and use of funding is accountable.

Being a researcher is a responsible and difficult job, requiring dedication, effort and ability. You will find that most public researchers are good people who need not be constantly threatened or reviewed in order to work constantly with dedication to their area of expertise and interest. I have heard it said by a GRDC staff member that 'GRDC likes to keep the researchers insecure as they believe they get better research this way'. "Wrong". Researchers work more efficiently when they can relax their minds to come up with more and innovative solutions, and when they can see their positions continuing into the future. And not be subjected to bullying. Accessing research funds seems to have become ridiculous over the last decade, with continual requirements for reports and applications, threats, intimidation and insecurity, reducing the efficiency of research programs. On occasion The GRDC has delayed signing off on a project and actually paying funds to the institution, for so long, that they (GRDC) are asking for a progress report before the funds for the work has actually been received. This type of behaviour provides more stress for the valuable research workers, and reduces the efficiency of research activity. Increasingly, it seems to be that successful receipt of a grant depends more on who you are mates with, or who likes you, than how efficient, productive and suitable you are to carry out a research proposal. It also seems that colleagues and institutions are required/encouraged to compete with others for funds/treat colleagues badly to 'knock them out of the competition'. Rather a system in which more of Australia's intellectuals can access research funding and are encouraged to work cooperatively together, has to be more efficient at producing successful outcomes in the public interest. Also, a lot more research gets done on a 'goodwill' basis, for free.

It may seem that once a project develops to smooth running and staff are well experienced, GRDC can require that supervisors are changed, if you are together with other groups, you must now separate, or if separate, you must now go together. Projects may be taken away from currently successful groups because the policy has been changed so that 'now only private companies will be granted funding for this type of work'. These behaviours undoubtedly waste money, energy, years of good research, and valuable trained staff. In recent years we have seen a continuous stream of talented, productive research staff either choose or be forced to leave their (agricultural) scientific endeavours, because of behaviours or decisions of the GRDC staff, panel members, etc. Or behaviours of institution staff at the bequest of GRDC. At least one scientists whose research outcome demonstrated a different than expected/wanted result show a different result to what was

wanted has been removed from their position. It seems a waste to Australia's agriculture that this human capital has to exit agricultural science to make new careers for themselves as real estate agents, tennis umpires, sound engineers, cafe owners, as well as going back farming, and so on.

GRDC seems to follow crazes and drop tried and tested useful research, at short notice. This is also wasteful of funding. There seems to be too much emphasis on 'empire building'.

Public research seems to have been decreasing, to make way for private research, or public-private partnerships. Well, there never seems to be enough money available, so it's good to boost research funding from outside government/public sources (isn't it? or...). But this isn't very helpful to the poor producer if it means they cannot afford to pay for the research outcome, or that the results are confidential and not available to them at all. Or if the results are not even available to another researcher, who within this system is now seen as a competitor rather than a colleague. So a brilliant outcome of two different minds/groups, is missed out on. There is the danger that privately controlled research gives vested interest to the direction of the outcome, and how can the public rely on the results published by vested interest? Private or 'privatised' funding recipients can direct the funds to their own profit-making rather than rural producer benefit. RRDC funding should therefore go primarily to public research and produce outcomes relevant and affordable to rural producers, big and small. Requiring that the publicly raised funds be used within profit focussed companies/businesses ensures that the outcomes ultimately cost more to the buyer. If farmers are supposed to be the buyers, with farmers' low current financial situations, how can we benefit from such a situation? The use of farmer and taxpayer funds within the private sector instead seems to mean that farmers will be going backwards as a result.

From a farmers' point of view, we see no benefit from the privatised 'American model' for crop breeding, instigated by the GRDC from 2000 onwards, but we have seen increased costs. We have seen the release of too many, very similar varieties, and even a variety or few released knowing that they are very rust susceptible. We do not believe that this would happen if GRDC-supported breeding had continued to be undertaken within universities and departments of agriculture. Farmers are also now mostly required to be bound by complicated seed licences, threatening all sorts of things, requiring certain levels of liability insurance to be held, and farmers are required to pay further (PBR) levies on grain produced.

We need more small, cheaper, locally relevant projects, rather than huge unwieldy, expensive projects which require more administration and higher salaried top-level positions. Some projects may be seen superficially as duplication, but in fact provide different attacks to a problem, or allow different local solutions as relevant. Usually it is good to have different minds and approaches on the job, in parallel. Downsizing administrative or middle management positions, rather than the actual researchers, however, may indeed bring efficiencies.

To attract new students as potential RRDC researchers, there needs to be a career path for them. Not just a PhD project, a post doc or two...then what? The career path seems to run out at that point, for many/most agricultural scientists. If more projects had to be public, and funds could be granted directly to tertiary institutions, rather than to a private company the institution was required to set up as a requirement for funding receipt, and tertiary institutions then qualifying for a related education grant, the tertiary education sector would receive a boost. More tertiary educated people is better for Australia.

Whatever the GRDC is doing now, is not working for farmers/contributors. A few people have done very well out of GRDC, but fewer scientists are now able to have a reasonable career, and therefore are less able to contribute to Australia's agricultural improvement. Less research is relevant to most farmers and products are not affordable, considering current reimbursement for grain.

Summary: If RRDC's levies for research and development funding are to continue, they need to be affordable. The 1:1 model should raise adequate funds for good research progress as long as RRDCs are not over extravagant on spending on themselves. A greater proportion, if not all, of this 1:1 funding should go to go to the actual research and development and less (or none) to the administration, self promotion and high salaried positions of the RRDC itself. The RRDC should t be accountable to a higher, government authority; so that it cannot be over extravagant in tough economic times, or practise bullying of potential and actual grant recipients. More public and less private use of RDC funds. Outcomes to be required to be relevant and affordable and primarily of benefit to the rural producer, rather than profit-makers for companies at the expense of rural producers. More smaller, locally relevant, interactive projects rather than bigger, more expensive ones. More research and development positions and less administrative positions to be funded. Federal and State Govt to look after the administrative position sector and infrastructure requirements better, so that these do not use up the vital RRDC funds. Where GRDC type research and activities are concerned, how things were in the mid 1990s, were better for most farmers and scientists, than the current situation, so look back at how things were run then.