

## SUBMISSION TO THE PRODUCTIVITY COMMISSION INQUIRY RE GRDC

In reviewing Grains and other industry research and development organisations it is incumbent to consider how the R&D industry has developed prior to the establishment of Statutory bodies, the current environment and the future direction both structurally and strategically.

With fifty years of involvement both in industry organisations and marketing Boards firstly on the Central Queensland Grain Sorghum Marketing Board marketing Statutory sorghum and maize, chickpea, barley and sunseed and ten years on Grainco Australia I will direct my comments to the grain and pulse industry.

When a Director of the CQGSMB a voluntary levy of twenty cents per ton was struck which was directed to targeted research into the sorghum industry in Central Queensland. The funds were applied and directed by the Board with no administration costs and results conveyed to growers during annual safari meetings.

Likewise the Queensland Graingrowers Association applied a levy of twenty cents per ton of wheat delivered which was used to acquire the Leslie Research Centre in Toowoomba. This was a collaborative research and Development centre between growers QDPI and industry concentrating on breeding new varieties, disease resistance, bread making etc. It was in essence a Centre of Excellence dedicated to the wheat industry with the unanimous support of the industry. There were no fat cats and parasites to syphon off funds for themselves as all funds were accounted for and benefited the industry.

Today the public wheat breeding program in Queensland has been abandoned and new varieties for Queensland and the sub tropics will be conducted in Adelaide, such is the wisdom of GRDC which is completely out of touch. The research scientists has gone to private enterprise in horticulture or resigned in total disillusionment.

While the establishment of the GRDC was supported by industry, today there is no accountability to levy payers or the Minister for public funding. Under GRDC's charter it's responsibility is to the Grains Council of Australia which is now defunct so who is it accountable to?

GRDC is opposed to public breeding programs which was the source of genetic material with seed increased by registered growers and sold at affordable prices to commercial producers. Today growers are paying in excess of \$1000 per ton for seed when in effect their own money is used in the research effort so corporates are ripping growers off firstly by excessive seed prices and secondly by end point royalties.

A casual observation of the statement of Accounts shows fifty two staff receiving average salaries of \$120,000 per annum and the Managing Director receiving three times the salary of the Prime Minister. Many of the projects funded are simply a rehash of past research like aeration of grain on farm and few of the projects funded are held accountable. Typical is the stuffups in conducting feathertop research in Central Queensland. The State Departments of agriculture benefit significantly in project funding to the point where many staff are substantially funded through GRDC.

It is clear that many States have abrogated their responsibility to food and feed production as Australians have benefited from cost effective healthy and nutritious food .

In conducting the review of RDC models the Productivity Commission must be satisfied that funds collected from producers by compulsory levies and contributions from Government are cost effectively targeted to Research and Development and not syphoned off by administration as at present.

Secondly it must look at alternate structures where levy payers can sunset the structure in the event that results are ineffectual.

Thirdly there must be accountability to levy payers and Government as these funds are held in trust and allocated cost effectively.

Consider the following, there has been little yield increase in wheat, barley and sorghum in the past twenty years.

There are no frost resistant wheat varieties despite fifty years of breeding.

A decade of dry years has shielded the wheat industry from rust when GRDC considers rust a low priority.

I believe that public funds should be applied to specific research directly based on future food security and accountable to the Minister. There needs to be quantifiable returns on funds expended as a reasonable expectation. Nothing less is acceptable. Were this to be implemented all funds allocated would be used for applied research and development instead of feeding a bloated bureaucracy.

Until the Boards are comprised of bona fide growers where levy payers receive annual statements of account and an annual meeting is held similar to Meat and Livestock Australia there will be no confidence in GRDC.

It is unusual for the Commonwealth to contribute significant funding without adequate representation on the research committees.

Finally I await the report of the Productivity Commission which I hope shows vision for food security for all Australians and profitability for all producers.

Finally thank you for the extension for submissions.