

25th November 2010

Ms Yvette Goss
Administrative Co-ordinator
Productivity Commission
LB2 Collins Street East
Melbourne VIC 8003
By email: rural-research@pc.gov.au

Dear Ms Goss

PRODUCTIVITY COMMISSION DRAFT REPORT INTO RURAL RESEARCH AND DEVELOPMENT CORPORATIONS

The Commercial Egg Producers' Association of Western Australia Inc (the Association) represents the majority of commercial egg producers in the state. The Association welcomes the opportunity to comment on the Productivity Commission Draft Report into Rural Research and Development Corporations which affects the egg industry in WA through the egg levies administered by the Australian Egg Corporation Ltd (AECL).

1. The Association does not support the reduction of funding to half of its current level over the next 10 years to the AECL. Financial investment by the Federal Government should remain at the same rate or increase.
2. The Association agrees that public funding should be used to benefit the wider community, however, not at the expense of specific industry R&D.
3. The Association supports the move to a more transparent project evaluation and monitoring of program outcomes by the Government, however, this activity needs to be undertaken with consultation with the egg levy payers.
4. The Association believes that funding for framework data collection and program co-ordination should be funded by the Federal Government and not redirected from industry specific programs.

5. The Association would like to see that R&D bodies have a peer review group made up of levy payers who would review all R&D projects to ascertain their suitability and benefit to the egg industry for funding.
6. The Association is strongly OPPOSED to the establishment of the new Research Development and Corporation (RDC) model to be named Rural Research Australia (RRA). There is a real threat that the RRA will be developed at the expense of funds being directed to industry specific research. AECL could be used to undertake any research that was of mutual benefit across RDC's.
7. The Association is very much opposed to the cap on matching contributions for statutory levies being reduced from 0.5 per cent to 0.25 per cent of an industry's gross value of production. The Association is opposed to the reduction being phased in over ten years with the cap reducing by 0.025 per cent of GVP each year during this period. The research and development gains made by AECL since its inception are parallel to the efficiency gains in the egg industry. The rural industry needs more funds being spent on its activities, not less!
8. The Association strongly supports the recommendation for bodies who already have an industry representative role such as AECL to be allowed to maintain this function indefinitely.
9. The egg industry, through AECL should have direct input into what research takes place and not be forced to allocate a certain amount of money to the Poultry CRC if it feels that a different service provider may provide better outcomes.

Yours sincerely

JOHN SIMPSON
President

