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Re: Productivity Commission Draft Report - *Rural Research and Development Corporations*

The Goulburn Broken (GB) and North East (NE) Catchment Management Authorities (CMAs) congratulate the Productivity Commissions on the development and release of the report into Rural Research sector. A sector that is vitally important to the evolution of both the agricultural and natural resource management in Australia.

The CMAs and their predecessors have a long and continuous history of involvement in integrated natural resource management research and development. For example the GB CMA has been involved in research and development since the 1980s when salinity pilot programs were developed. Most recently, several Victorian CMAs including the GB and NE CMAs have been involved in the Landscape Logic research hub funded through the Commonwealth Environmental Research Facilities scheme. Lessons from this history reinforce the need for strong partnerships between Commonwealth and State Government agencies, industry, regional organisations and the community to ensure research is appropriate and practical. To this end we support the draft recommendations in the report in relation to the retention of the current structure of the RCD's with their strong links to industry and primary producers.

Drawn from a strong belief in the need for integrated natural resource management research and development, the GB and NE CMAs generally endorses the principles and recommendations of the draft report, especially those relating to the establishment of *Rural Research Australia*, a body that would build on the former Land and Water Australia. However, we would like to draw the Commissions attention to several considerations.

Recommendation 5.1

The establishment of 'public funding principles' to guide public funding into rural R&D is a welcomed step in documenting and justifying government funding to the sector. In particular we support the integration of '*...productivity, competitiveness and social and environmental performance of the rural sector...*' (pg. 109). The application of these principles needs to prevent short-term budgetary decisions impacting on research bodies funding in particular where natural resource management issues are to be investigated.

Our experience is that Commonwealth and State Government agency natural resource management programs have become increasingly disconnected in recent years, and this is reflected in approaches to research and development. Regional bodies such as CMAs experience the obvious inefficiencies of this. While the development of these principles could also be an integrating mechanism between the Commonwealth and States, in its current form, we believe that the Draft Report does not emphasise the benefits of stronger partnerships between State and Commonwealth agencies and regional bodies enough.

Recommendation 7.1

We support a gradual and phased change to the funding model to encourage more private funding where there is private good, and the redirection of government funding to where there are public good and national issues to be addressed. However, any changes in the allocation of government investment in R&D should not result in a reduction in the overall level of funding available.

Recommendation 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 9.5

We agree with the need for improved transparency and general application of program review, monitoring and evaluation processes. There has been an onus on the natural resource management field to develop and implement monitoring, evaluation and reporting procedures for the past five years, therefore it is fair to expect this of all sectors that receive significant government funds. Monitoring, evaluation and review processes can be time consuming and costly therefore funding would need to be allocated to undertake some of the recommendations, such as in Recommendation 8.6 undertake an independent performance review at least every three years.

Program review, monitoring and evaluation processes needs to enable both short and long-term performance to be understood. A strengthened link between research and development to government investor reporting requirements would increase the relevance of research and development and the data collected: an analysis of existing government expenditure on data collection would reveal the huge potential from a redirection or alignment.

We look forward to forward to the Commissions final findings and recommendations, and there implementation by Commonwealth and State Governments. In particular we will welcome the establishment and appropriate funding of Rural Research Australia.

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