



**Government of South Australia**  
Natural Resources Management  
Council

10NRM0913

25 November 2010

Mr Philip Weickhardt  
Presiding Commissioner  
Productivity Commission  
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Dear Mr Weickhardt

**Re: Productivity Commission 2010, *Rural Research and Development Corporations*,  
Draft Inquiry Report**

The Natural Resources Management (NRM) Council of South Australia would like to thank you for the opportunity to provide input into the draft inquiry report of Rural Research and Development Corporations (RDCs) as undertaken by the Productivity Commission. NRM Council supports the current RDCs model as a model for research and development for primary industries within Australia. In addition the NRM Council would like to further identify some key issues relating to the Draft Report.

NRM Council recognise that there are key challenges facing primary industries within Australia and globally. Climate change and global food security issues will require significant changes in thinking and practice to maintain productive primary industries. To enable this there is a need for research, development and extension and the continuing support and investment at both the Australian Government and State Government level.

NRM Council does not support the notion that extension services should be paid for by the producer. Extension is under-valued as a tool to bring about positive change in the farming environment and therefore should be provided free of charge where possible. However, NRM Council does support the need for packaged up extension services to be paid for. In this case the private benefits would warrant some payment by the producer.

The public benefits from research and development are underestimated within the report. There are some excellent flow on benefits from research and development – particularly the positive social influence in rural communities. NRM Council believes that the draft report also underplays the significance of market failure as a need for some or greater public investment.

Traditionally, research and development in the natural resource management field has focused on the natural environment and agricultural change. However, there is a need to broaden the focus to social and community implications of change and given this it is

recommended that skills in the social indicator, social impact and community capacity fields are added.

NRM Council supports the recommendation within the report to create 'Rural Research Australia' or the potential that this could be filled by a current RDC but this would require significant refocussing. Since the demise of Land and Water Australia there has been a significant gap in research and development into natural resource management which has not been addressed by the other RDCs. The management of our natural resources is complex and many of the interactions are not well understood. This work is needed to support our natural resource management bodies throughout Australia, our governments in their decision making, and our landholders and communities. The proposed role to not only address natural resource management, but also cross cutting issues would assist with greater integration across the RDCs.

NRM Council believes there should be more research into regulatory policy and legal issues related to the uptake of conventional research and development. The extension model (30 years) is insufficient for the present rates of change. Significant international applied research is now directed to analysing non fiscal barriers and incentives to assist governments to act e.g. Global Environmental Facility (GEF - World Bank) and this has a significant local research and development requirement.

NRM Council also believes there should be further research into methods of estimating and learning about landscape scale processes to facilitate adaptive management by regional natural resources management bodies.

Finally, NRM Council notes the recommendation that the Productivity Commission will gradually reduce research and development expenditure. NRM Council would be disappointed if this was to occur, particularly given the economic, social and environmental benefits that can be gained from research and development and given we are living in an era of accelerated change brought on by climate change and population growth and movement. NRM Council therefore supports a continuation of the current level of funding or increased funding for emerging issues of global or national significance.

NRM Council is grateful for the opportunity to comment and looks forward to receiving the final report in early 2011.

Yours sincerely

Sharon Starick  
**PRESIDING MEMBER**