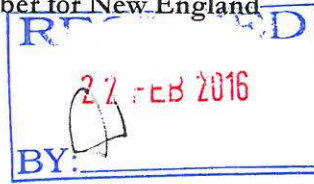




The Hon. Barnaby Joyce MP

Minister for Agriculture and Water Resources
Federal Member for New England



Ref: MS16-000111

Mr Rowan Ramsey MP
Chair
House of Representatives Standing Committee on Agriculture and Industry
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mr Ramsey

Please find enclosed a copy of the Australian Government response to the former House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry Report on the Rural Industries Research and Development Corporation Annual Report 2011-12. The response was tabled in Parliament today.

Thank you for the committee's interest in this matter.

Yours sincerely

Barnaby Joyce MP

10 FEB 2016



Australian Government

Australian Government response to the
House of Representatives Standing Committee on
Agriculture, Resources, Fisheries and Forestry report:
Inquiry into the Rural Industries Research and Development
Corporation Annual Report 2011-12.

FEBRUARY 2016

**AUSTRALIAN GOVERNMENT RESPONSE TO THE HOUSE OF
REPRESENTATIVES STANDING COMMITTEE ON AGRICULTURE,
RESOURCES, FISHERIES AND FORESTRY REPORT: INQUIRY INTO THE
RURAL INDUSTRIES RESEARCH AND DEVELOPMENT CORPORATION
ANNUAL REPORT 2011-12**

OVERVIEW

The Rural Industries Research and Development Corporation (RIRDC) is one of 15 rural Research and Development Corporations (RDCs) charged with delivering the Australian Government's investment in rural research and innovation in partnership with industry. RIRDC has compliance obligations under the *Primary Industries Research and Development Act 1989* (PIRD Act) and under the *Public Governance, Performance and Accountability Act 2013* to provide an annual report to parliament.

In November 2012, the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry resolved to inquire into the *Rural Industries Research and Development Corporation (RIRDC) Annual Report 2011-12*. The committee tabled their inquiry report to parliament on 28 May 2013.

The recommendations in the report focused on issues including co-ordination and collaboration in the rural research, development and extension (RD&E) system, and evaluating RD&E projects to inform future investments.

**DETAILED AUSTRALIAN GOVERNMENT RESPONSE TO
RECOMMENDATIONS**

**RECOMMENDATION 1 – Response to the Research, Development and Extension
Framework Review**

The Committee recommends that the Australian Government work to ensure a timely and public response by the Primary Industries Ministerial Council to the National Primary Industries Research Development & Extension Framework review recommendations; and that this response clarifies the cross-sectoral role and mandate of the Rural Industries Research and Development Corporation.

Australian Government Response

Support in principle.

The recommendations of the Allen Consulting review into the *National Primary Industries Research Development & Extension Framework* (the Framework) are being addressed by the

Research and Innovation Committee. This Committee supports the Agriculture Ministers Forum, which has replaced the Primary Industries Ministerial Council.

Many of the review recommendations have already been addressed. In regards to the inquiry's recommendation that the cross-sectoral mandate of RIRDC be clarified, the PIRD Act provides for RIRDC to look at national rural issues which RIRDC interprets to include cross-sectoral issues impacting on the productivity, sustainability and international competitiveness of rural industries and the regions in which they operate. In doing so, RIRDC investments must contribute to the delivery of outcomes against national and rural R&D priorities set by the government. RIRDC's annual investment in cross-sectoral research is authorised by the RIRDC Board and the Minister for Agriculture through the approval of RIRDC's Strategic Plan.

The government notes that RIRDC is not the only RDC that is engaging in cross-sectoral research, with several other RDCs sponsoring cross-sectoral initiatives under the Framework. However, the government recognises that RIRDC, in particular, has strengthened its commitment to collaboration by specifically focussing on cross-sectoral and cross-regional approaches to addressing research needs.

RECOMMENDATION 2 – State and Territory government contributions to national research and development

The Committee recommends that the Australian Government, through the Council of Australian Governments, work [to] ensure that State and Territory government contributions to national research and development remain proportional to Australian Government investment.

Australian Government response

Support in principle.

The Australian Government is aware of announcements and commentary which indicate that a number of state governments have made budget cuts that reduce their contribution to rural RD&E. Small-industry research appears to have been particularly impacted by reductions in the levels of in-kind support from the states due to a loss of expertise in state and territory primary industry departments among other issues such as a lack of field trial facilities.

The government considers that public investment in rural RD&E is important to maintain and improve profitability and productivity growth for rural industries. The states and the Northern Territory have committed to a cooperative national approach to rural RD&E under the Framework. The Australian Government encourages state and territory governments to maintain or increase their contribution to rural RD&E.

RECOMMENDATION 3 – Evaluation of projects

The Committee recommends that the Rural Industries Research and Development Corporation continue its internal evaluation process for all projects with a view to ensuring

that evaluation outcomes for a greater number of projects are a feature of future Annual Reports.

Australian Government Response

Support.

RIRDC has developed a comprehensive evaluation process where all projects will undergo a pre-project evaluation. Ongoing evaluations of projects of sufficient size to warrant the cost of evaluation will also be undertaken as will post-project evaluation of sampled projects. These evaluations are consistent with the evaluation approach being adopted across the RDC system. The evaluation process will be phased in to enable RIRDC to allocate appropriate ongoing resources and to allow suitable time for meaningful measurement to take place. The government expects that RIRDC will include comprehensive evaluation reporting of research and development projects in its Annual Reports.

RECOMMENDATION 4 – Common evaluation methodology

The Committee recommends that the Australian Government, through the Australian Bureau of Agricultural and Resource Economics complete the development of the common evaluation methodology for Commonwealth research and development projects and that this be adopted for use by rural Research and Development Corporations.

Australian Government Response

Noted.

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) has developed a performance measurement and reporting framework for rural R&D (detailed in its report *Measuring and reporting trends relating to the performance of Australia's rural RD&E system* (ABARES 2012)). This framework does not involve evaluation of individual rural research and development projects. The development of a common evaluation framework for individual rural R&D projects (reviewed by ABARES) is discussed in the government's response to Recommendation 5.

RECOMMENDATION 5 – Cost-benefit analyses of projects

The Committee recommends that the Australian Government ensure that all rural Research and Development Corporations continue to engage collaboratively in the development of a common methodology to evaluate cost-benefit analyses of projects across rural Research and Development Corporations.

Australian Government Response

Support.

In 2007, the Council of Rural Research and Development Chairs (CRRDC) produced the *CRRDC Evaluation Program* which established a common methodological footing for evaluating rural research and development projects across RDCs. Revised evaluation guidelines have been produced and the Research and Innovation Committee agreed at its May 2013 meeting that RDCs should use this methodology.