

Budget Estimates hearings 25 May 2015

John Harvey opening statement

- I appreciate that Senator Sterle put us on notice at the levies enquiry that the issue of relocation would be raised so, if I may, I would like to give you some context to begin with and then answer your questions.
- As Managing Director, I must stress that there are both **personal** and **financial** aspects to this proposed relocation. It is a very complex situation.
- As the leader of GRDC, with people who are going through a very uncertain time, I won't speculate on the things we don't yet know.
- But I will be as transparent as possible in informing you about this issue and how we are considering it as part of a broader effort around improving our systems, structure, processes and culture.
- I will also add there may be some instances where the Department may be better placed to give you the detailed figures from the Minister's letter.

- The issue of relocation has been on our agenda since July last year.
- This has come at a time when we as an organisation have been going through a period of significant change.
- The desire to improve is a result of the complex environment the grains industry is operating in, and listening to and responding to our growers and other stakeholders.
- In order to do so, we need to equip ourselves as an organisation to meet the challenges of the future.
- Our focus on improving our systems means 95% of our expenditure goes directly to R, D and E and less than 5% is spent on indirect overheads and administration.
- As part of this we have to consider where we can attract and retain the brightest and best technical and professional people to deliver significant benefits for growers.
- In terms of how we currently exist:
 - We have a central office here in Canberra which allows us to be in close proximity to industry bodies, policy makers, the Department and key research partners like CSIRO.
 - We have an existing office in Perth with additional staff located in Boggabri, Parkes and Adelaide.
 - This is supported by our three regional panels, covering the northern, southern and western regions of Australia, comprised of 30 members based in the region.
 - Panels were established to ensure the voices of growers around the country are heard.
 - They are made up of grain growers, agribusiness practitioners, and scientists.
 - The panels work closely with individual growers, grower groups and grower organisations, including local Regional Cropping Solution Networks.
 - The regional panels help to ensure that the GRDC investments respond to the regional priorities.
 - We have staff from diverse and varied backgrounds - highly skilled, passionate, professional people with a strong emotional connection to rural issues.

- There are many questions about our location; I would like to highlight the scale of investment we are making into regional Australia.
- In 2013/14, we invested more than \$165 million dollars in grains related R and D. Much of this supports scientists based in regional locations.

- In locations ranging from Geraldton in WA, Albany, Esperance, Minnipa on the Eyre Peninsula in SA, Clare, Horsham, Wagga Wagga; Narrabri; Toowoomba and Emerald in Central Queensland - we have a rural footprint across the country. If you look at the jobs, growth and opportunity this investment in R&D creates, it really is a significant contribution.
- Relocation is being taken into account as part of a broader review of our systems, structure, processes and culture.
- As an organisation we are trying to open ourselves up to become better listeners and have the capacity to better deliver benefits to our growers.
- This means considering lots of different options, like should we be expanding our already extensive network of regional offices and communicators?
- But at the heart of this, as I said at the start, there are both **personal** and **financial** costs associated with any relocation. In consultation with the Department we have worked on a potential 90% redundancy outcome, which as a passionate leader of my organisation is very difficult.
- To give you an insight into our team, we have some staff members with families comprised of two professional parents, some who provide care for elderly parents, others who share custody of children or have commitments which would prohibit them from moving.
- We are in the process of surveying staff to find out what the number may look like, and I won't speculate until that survey is completed over the next fortnight.
- As an organisation we must ensure we have the right people in the right place that are expertly able to drive R&D, and then extend that into on farm practice change where innovation and research might make an important difference.
- Ultimately we want our community of growers, our government stakeholders and research partners to support the GRDC in its ambition to become better listeners, more efficient and not to lose our steely focus on research and development for the benefit of the Australian grains industry.