

11 November 2014

Mr. David Miles AM
Chair, CRC Program Review
via email: crcreview@industry.gov.au

Dear Mr Miles

The National Farmers' Federation (NFF) welcomes the opportunity to provide input to the Cooperative Research Centres (CRCs) programme review. The NFF has appreciated the ongoing commitment to the CRC programme by successive Australian Governments.

The NFF does not generally participate in individual CRCs. However, Australian farmers and the agriculture sector more broadly has benefited significantly from the outcomes generated through research partnerships, underpinned by the CRC model. Given the benefits delivered to the agriculture sector, the NFF has continued to support Australian Government investment in the CRC programme. NFF member organisations have also indicated their strong support for the existing agricultural-related CRCs, including: CRC for High Integrity Australian Pork; CRC for Sheep Industry Innovation; Dairy Futures CRC; Invasive Animals CRC; and Plant Biosecurity CRC. Regarding the performance of current CRCs, the NFF would refer the review secretariat to NFF commodity members (including Wool Producers Australia; Sheepmeat Council of Australia; Australian Dairy Farmers; and Australian Pork Limited).

Even though their operating environment is extremely volatile, Australian farmers are much more self-sufficient than their international competitors (with whom we compete on both an international and domestic level). Australian agriculture has the lowest level of Government support in the world and research, development and extension (RD&E) is one of the very few areas where it is appropriate for the Australian Government to invest in a sector that provides every Australian with a safe and reliable supply of food and fibre. For Australian agriculture to remain globally competitive, outcomes from RD&E must be improved. This should be driven concurrently by increased investment and improved RD&E focus on increasing the competitiveness of Australian farm businesses.

Since their inception in 1990, CRCs have proven successful in delivering a range of benefits to Australia via the establishment of effective and innovative research partnerships. Whilst certainly not limited to our sector, agriculture has seen such marked benefits stemming from CRC programs. For example the Precision Sheep Management (PSM) initiative, developed by the Sheep CRC, had an estimated industry benefit of \$82 million. Another success story is the Pork CRC, who in 2008 developed a vaccine against *pleuropneumonia*, a disease costing the pork industry millions each year. In addition to industry specific programs, CRCs such as the Invasive Animals CRC, have resulted in sector wide benefits to agriculture through the development and management of programs, such as the National Wild Dog Action Plan, aimed at curbing the impact that invasive species present to a range of agricultural industries.

Beyond just research outcomes, CRCs have proven successful in extending overall research funding further than would be otherwise possible. The CRC Association notes that for every \$1 invested by government, the CRC program drives a further \$4 in research funding. Such a benefit has certainly been witnessed in agriculture, with Australian Pork Limited estimating that upwards of \$210 million of additional funding has been injected into pork research due to its industry's CRCs.

The NFF recognises that it is prudent to regularly review the effectiveness and efficiency of programmes, such as the CRCs. It is acknowledged that some CRCs have not been considered successful by industry or Governments. The NFF would encourage the Australian Government, through this review, to focus on the critical success factors of well-regarded CRCs and consider how to embed these in a future CRC-type programme. The need for a collaborative research programme still exists within the Australian Government's broader innovation agenda and the CRC programme has provided a strong basis for many years within this field. While improvements should be considered to the CRC programme, this review should not be concluded by throwing the baby out with the bathwater.

When considering the value of the CRC model to various stakeholder groups, it is important to consider what is sought from particular parties. While some participants in CRCs may be seeking a funding stream to pursue their own priorities, for agricultural representative groups and the rural research and development corporations, the driver for CRC participation is collaboration and research impact. Given the need for research impact, it would be prudent for any CRC-type programme to have a greater focus on collaboration, engagement and extension strategies. Further, to ensure the focus of the research collaboration is on outcomes and not just opportunity for funding, consideration should be given to funding periods set by outcomes, not arbitrary timelines.

Regarding the alignment of CRCs and the recently announced 'Industry Growth Centres', the NFF is of the view that both programmes may have a place within the Australian Government's broader innovation agenda. The drivers for participation in each model are likely to be different, as are the outcomes. While industry growth centres may provide the potential for late stage research and commercialisation, CRCs may still be required for early stage research and many may only survive while they have a base level of funding from the Australian Government.

The NFF understands the process underway by the Australian Government, focussing on 'Boosting the Commercial Returns from Research', also provides significant opportunities to encourage a greater focus by Universities on industry engagement and uptake of research.

Throughout this review of the CRC programme it will be essential that the Australian Government continues to work closely with industry and research organisations to identify and implement improvements to the CRC model.

Thank you for the opportunity to provide input to this review. Please do not hesitate to contact Mr David McKeon, Rural Affairs Manager, on 02 6269 5666 / dmckeon@nff.org.au if you have any questions arising from this submission.

Yours sincerely,



SIMON TALBOT
Chief Executive Officer