



Guidelines for declaring Representative Organisations for Research and Development Corporations

The Primary Industries and Research and Development Act 1989 (PIRD Act) provides for the declaration of Representative Organisations (ROs) in relation to an RDC. The ROs provide a service to their members, industry and research and development corporation (RDC) by their role in consultation, direction setting and representation of members' views. Under the PIRD Act, the Minister for Agriculture has the legislative power to amend representative organisation arrangements.

In deciding an appropriate RO or RO's for RDCs, consideration should be given to:

- 1. Structure and Governance:** The organisation should be a not-for-profit entity, established to represent and advance the interests of a particular industry or industry sector, including that sector's levy payers. The organisation should have in place policies and systems to enable effective and transparent governance including conflict of interest.
- 2. Membership:** The organisation must be able to provide information on the number of its members, by region or sector, and their proportion to the total number of levy payers.
- 3. Financial capability:** The organisation should be able to demonstrate, preferably through its annual report's audited financial statements for the past five years, that it has a history of solvency and a financial capacity to represent the interests of its members and levy payers. If the organisation has been operating for less than five years, it should provide documentation for the period of its operation. It should provide information on any income that it receives from an RDC.
- 4. Levy payer and member support:** A basic principle is that levy payers should be consulted on how levy payer money is spent. The RO must be able to show that it can consult widely and impartially and that it can accurately and neutrally reflect the views of all the levy payers that it claims to represent. The RO must also be able to provide evidence that members and levy payers support its nomination to be a representative organisation.