



Minister for Agriculture, Fisheries and Forestry
Hon Dr John McVeigh MP

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Mr Tim Watling
Committee Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Watling

Thank you for your email of 26 September 2014 about the Inquiry into the Rural Research and Development Legislation Amendment Bill 2014.

Rural Research and Development Corporations (RDC) are a pivotal source of funding for the numerous research, development and extension (RD&E) activities undertaken across the country. Recent evaluations of public funding to RDCs indicated a return of \$10.51 for every \$1 invested, after a period of 25 years. However significant returns can be realised within a 5 to 10 year period.

Changes proposed within the Rural Research and Development Legislation Amendment Bill 2014 would appear to potentially impact on the overall funding allocated to the various RDCs. It is proposed that these changes will save approximately \$7 million over a four year period, made via the retrieval of costs associated with membership to the various international commodity organisations from the matched funding to the RDCs. This can be viewed as a further decline in the funding of the various RDCs at a time when significant reductions have recently been made.

Food security and productivity growth are critical elements of government policy both nationally and internationally. A further constriction of expenditure on RD&E activities has the potential to stifle not only innovation, but also the ability to meet our growing market needs.

The Queensland Government would not support the proposed amendment to recover the costs associated with the memberships to the various international commodity organisations from the matched funding to the RDCs. RDCs provide a critical funding role in the national RD&E realm, and further reductions in their ability to provide much needed funding to direct activities rather than administrative burdens should be discouraged.



Yours sincerely



DR JOHN McVEIGH, MP
Minister for Agriculture, Fisheries and Forestry
Member for Toowoomba South