

**Rural and Regional Affairs and Transport Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2016

**Agriculture and Water Resources**

**Question:** 234

**Division/Agency:** Rural Industries Research and Development Corporation

**Topic:** “Did the board agree to relocate?”

**Proof Hansard page:** 30

**Senator CANAVAN asked:**

**Senator CANAVAN:** Just to be clear, I am only interested in any aspect of the letter which goes to this question of whether the board had agreed to relocate. So if there are other elements of the letter that you need to—

**Mr Quinlivan:** Yes, they are two quite separate questions.

**Senator CANAVAN:** take on notice, that is perfectly fine by me. Just to get the dates here right, you mentioned that that letter was written in August last year, Mr Burns.

**Answer:**

Please refer to Attachment B in response to Additional Estimates February 2016 Question on Notice 235.



Australian Government  
Rural Industries Research and  
Development Corporation

31 July 2015

The Hon. Barnaby Joyce  
Minister for Agriculture  
PO Box 6022  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Minister

I am writing to inform you of the outcomes of the Rural Industries R & D Corporation (RIRDC) Board Meeting (No. 148) held on 22 July 2015 in Keith, South Australia. The Board meeting was held in conjunction with a field visit to engage with stakeholder industries relevant to RIRDC's Pasture Seeds and Pollination programs.

The field trip provided a timely opportunity to discuss with stakeholders the benefits of RIRDC's partnership with industry in delivering useful R,D&E that advances industry in the Keith region. Much of the logistical support for the field trip was provided by Lucerne Australia and the Board was very impressed by the engagement of this industry group with growers but also its contribution to local economic development.

The Board Meeting was the first opportunity the Board had to discuss the implications of the Agriculture Competitiveness White Paper for RIRDC programs. The Board welcomed in particular new initiatives on cooperatives, collective bargaining and innovative business models; new R&D levy funding for the export fodder and tea tree industries; and new funding for RIRDC's support for small industries. RIRDC will engage with your department on implementation of these initiatives.

The Board noted that since my previous correspondence on the issue of re-location of RIRDC we have received a request from the Secretary of the Department of Agriculture seeking further details on RIRDC's proposal regarding relocation. As I indicated in my previous letter to you on this issue the Board has had to balance the strong feedback from stakeholder industries opposed to a re-location with your preference that RIRDC re-locate to a regional centre outside Canberra. We have concluded that our preference is to move RIRDC's core operations to Wagga Wagga whilst retaining a minor presence in Canberra to manage those cross-cutting issues that relate directly to our national Rural Issues and Investing in people functions. The Managing Director position would be located in Wagga Wagga. There is also the potential for co-locating one or two staff in Northern Australia in conjunction with the proposed CRC for developing Northern Australia.

Reaching this decision to move RIRDC's core functions out of Canberra was not an easy decision and the Board has recorded the following statement in the Minutes of its meeting:

*The Board, while complying with the request from the Minister to relocate RIRDC outside Canberra, recognised that there had been no demonstrated benefit provided, and in addition the decision will require levy funds to be used to meet the cost.*



*The Board recognised the increased financial and performance risk to the organisation and made its decision based on an assessment of the greater risk of not complying with the Minister's request.*

*The Board made this decision in full knowledge that RIRDC's two representative organisations under the Act have made it clear they do not support the Minister's preference.*

*Given the Board had to take a decision of this nature it chose the option it believed is the most enduring and in the best interest of the functioning of RIRDC.*

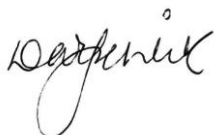
The Board proposes to proceed to implement a re-location to Wagga Wagga by September 2016. Once suitable office facilities are secured in Wagga Wagga we would encourage those staff prepared to re-locate to move as soon as practicable. We expect that the Managing Director position will operate from Wagga Wagga from the first quarter of 2016.

In other business discussed at the Board Meeting the Board noted the successful Horizon Scholarship Program Workshop held in Armidale at the end of June. The workshop had a theme of new technologies in agriculture and benefited greatly from a visit to the University of New England SmartFarm. A group of scholars will provide the Board with a report of the workshop at our next meeting in September.

The Board also agreed the approach RIRDC will take to development of a new Corporate Plan. The Plan will be informed by the outcomes of the Agriculture Competitiveness White Paper and a thorough engagement with stakeholders. The Board would welcome an opportunity to speak with you at a convenient time on your expectations for RIRDC and its future.

The next meeting of the Board will coincide with the annual Rural Woman of the Year announcement on 9 September. At that Board Meeting we will be holding a round table discussion with the Chairs of RIRDC industry advisory panels as input to the Corporate Plan development.

Yours sincerely



Prof Daniela Stehlik  
Chair

Cc: Mr Daryl Quinlivan, Secretary Department of Agriculture



**Rural and Regional Affairs and Transport Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2016

**Agriculture and Water Resources**

**Question:** 235

**Division/Agency:** Rural Industries Research and Development Corporation

**Topic:** Letters written in relation to this RIRDC move to either Wagga or Albury

**Proof Hansard page:** 34-35

**Senator CAMERON asked:**

**Senator CAMERON:** No, not yet. Mr Burns, how many letters have you written in relation to this move to either Wagga or Albury? There were two that were—was it two or one? Just before you go there: you quoted from one. Given that you have quoted from that letter when The Nationals asked a question on it, can you now table that letter, because you have already put parts of it in the public arena?

**Mr Burns:** My chair signed that. I will ask my chair. I imagine she would.

**Senator CAMERON:** Okay. Could you then ask your chair before close of business today so that we can have that letter today if possible?

**Mr Burns:** I will do that.

**Senator CAMERON:** Were there other letters that went to—that was the August letter, was it, to the minister?

**Mr Burns:** That one I quoted I think was the July letter to the—

**Senator CAMERON:** So there is a July letter and an August letter, isn't there?

**Mr Burns:** Correct.

**Senator CAMERON:** Could you seek from your chair whether you can table both of those letters?

**Mr Burns:** I will do that.

**Senator CAMERON:** Thank you—and both of them today, if possible. I think that, in relation to this sorry and sad episode, I have come to a conclusion until I get these other details.

**Answer:**

In response to providing letters from July and August, please find both letters attached.

- Attachment A: Letter to Minister for Agriculture - 31 July 2015

**Question:** 235 (continued)

- Attachment B: Letter to Secretary, Department of Agriculture - 19 August 2015  
Please note that the information provided in the letter was at a certain point in time. The information included in that letter is now out of date following the formal decision made by the Rural Industries Research and Development Corporation Board at the meeting held on 24 February 2016.

**Rural and Regional Affairs and Transport Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2016

**Agriculture and Water Resources**

**Question:** 236

**Division/Agency:** Rural Industries Research and Development Corporation

**Topic:** RIRDC Project

**Proof Hansard page:** Written

**Senator RHIANNON asked:**

1. With regards to the RIRDC project 'Kangaroo meat export market access analysis', the RIRDC informs that a draft of this report was provided to the Department in July 2015:
  - a) Is the report finalised? If not, please provide the due date for the report to be finalised.
  - b) On which government website will the report be published, and by which date?

**Answer:**

- a) Yes
- b) The Rural Industries Research and Development Corporation (RIRDC) does not intend for the report to be published. The report was prepared to assist the kangaroo industry to develop a meat export plan. RIRDC provided the report in July 2015 to the peak industry organisation (the Kangaroo Industry Association of Australia) and the Department of Agriculture and Water Resources.

**Rural and Regional Affairs and Transport Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2016

**Agriculture and Water Resources**

**Question:** 237

**Division/Agency:** Rural Industries Research and Development Corporation

**Topic:** Relocation

**Proof Hansard page:** Written

**Senator STERLE asked:**

1. What is the current situation with the proposed move?
2. Has RIRDC been informed that they will be moving to Wagga?
3. What will be the impact on staff?
4. Will this move impact on current R&D projects?
5. Was RIRDC consulted by the Minister before he tasked the Member for Page Kevin Hogan to develop an options paper recommending how to utilise the remaining funds to develop cooperatives arrangements in Australia?
6. Is RIRDC working collaborative with Kevin Hogan?
7. Has RIRDC seen Kevin Hogan's option paper?
8. Could this be seen as a double up of the same task the Minister originally asked RIRDC to undertake?
9. When will farmers benefit from the pilot programme?

**Answer:**

1. On 26 February 2016 the Rural Industries Research and Development Corporation (RIRDC) Board announced its decision to relocate all operations from Canberra to Wagga Wagga. A phased transfer will be completed by 1 July 2017.
2. On the 22 January 2016 the Minister wrote to inform RIRDC that the government had agreed to the proposal to increase its regional presence through relocating its head office to Wagga Wagga, NSW.
3. Outcomes from the RIRDC Board meeting on the 24<sup>th</sup> of February may assist in ameliorating some of the uncertainty that employees have been placed under for the past two years.

**Question:** 237 (continued)

4. RIRDC will make every endeavour to minimise impact on our industries. Costs associated with relocation will have some impact on funding of R&D projects.
5. No.
6. No. However, RIRDC did meet with Department staff and Mr Hogan on 3 December 2015 to discuss responses from a selection of stakeholders that Minister Joyce and Mr Kevin Hogan MP jointly wrote to seeking feedback on the recommended programme framework.
7. No.
8. RIRDC do not have details of what Mr Hogan was asked to undertake. RIRDC was engaged by the Department of Agriculture and Water Resources to undertake design and scoping work for the development of the pilot programme, and provided the Department with a recommended programme framework.
9. RIRDC is unaware of the government's timeframe for programme implementation.





Australian Government  
Rural Industries Research and  
Development Corporation

19 August 2015

Mr Daryl Quinlivan  
Secretary  
Department of Agriculture  
GPO Box 858  
CANBERRA ACT 2600

Dear Mr Quinlivan

I am writing in response to your letter of 20 July 2015 seeking further detail on the RIRDC Board's consideration in relation to relocation to a regional area. At the most recent RIRDC Board meeting held 22 July the Board further considered the Minister's request and preference that RIRDC relocate to Albury-Wodonga. The Board remains concerned about the implications of a move outside Canberra both in terms of delivery of on-going services and the cost implications for stakeholder industries. After full consideration of options the Board has agreed that RIRDC relocate its core operations to Wagga Wagga whilst retaining a minor presence in Canberra to manage cross-cutting issues that relate directly to our National Rural Issues and Investing in People functions. This includes managing new initiatives identified in the Agriculture Competitiveness White Paper. As I indicated in my letter to the Minister on 31 July 2015 outlining the outcomes of the Board meeting the decision to relocate core function was not an easy decision and the Board has recorded the following statement in the Minutes of its meeting:

*The Board, while complying with the request from the Minister to relocate RIRDC outside Canberra, recognised that there had been no demonstrated benefit provided, and in addition the decision will require levy funds to be used to meet the cost.*

*The Board recognised the increased financial and performance risk to the organisation and made its decision based on an assessment of the greater risk of not complying with the Minister's request.*

*The Board made this decision in full knowledge that RIRDC's two representative organisations under the Act have made it clear they do not support the Minister's preference.*

*Given the Board had to take a decision of this nature it chose the option it believed is the most enduring and in the best interest of the functioning of RIRDC.*

We have proceeded to consider a suitable location for RIRDC in Wagga Wagga and have identified suitable space within the Charles Sturt University campus. I have attached a letter from the CSU Vice-Chancellor confirming the discussions we have held and the important issue of professional independence and identity for RIRDC.



As I indicated in my letter to the Minister the Board proposes to implement the relocation to Wagga Wagga by September 2016. We expect the Managing Director position to operate from Wagga Wagga by the first quarter of 2016. Other staff who agree to relocate would be encouraged to do so as soon as practicable.

I have attached a spreadsheet outlining the expected costs of relocation for RIRDC. At this stage we envisage twelve existing positions relocating to Wagga Wagga and five positions be retained in Canberra. Of the positions to be relocated, four existing staff would relocate and seven staff would not choose to relocate and so be eligible for redundancy payments. Recruitment for a new Managing Director to be located in Wagga Wagga will be completed by the end of 2015. Our current estimate is that the total cost of relocation in 2016-17 will be \$1.236 Million, with on-going additional costs. In the absence of additional funding the costs of relocation will need to be met by reductions in R&D expenditure.

As I indicated above, the Board remains strongly of the view that there is no business case for relocation and considers the costs in terms of loss of experienced staff and reductions in R&D expenditure to be significant. Should the Minister's preference for RIRDC to relocate be confirmed I look forward to early advice in order for the on-going uncertainty for staff to be resolved and negotiations with CSU to proceed.

Yours sincerely



Prof Daniela Stehlik  
Chair

Encl: Correspondence from Vice-Chancellor, Charles Sturt University  
RIRDC Relocation costings spreadsheet

