

Submission to the Department of Agriculture

Modernising the Research and Development Corporation system

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MODERNISING THE RESEARCH AND DEVELOPMENT CORPORATION SYSTEM

The Australian Academy of Technology and Engineering (ATSE)¹ welcomes the invitation from the Australian Government Department of Agriculture to respond to *Modernising the Research and Development Corporation (RDC) system*.

Currently, Australia has no architecture for identifying water R&D priorities and funding them. There are no processes that take account of what water research is being done, nor any systematic evaluation of its merits. Outputs from water R&D have fluctuated over the last 30 years, largely governed by the changing nature of funding programs. Productivity has been greatest when funding programs are well-designed, well-resourced and relatively stable.

ATSE and the Australian Academy of Science (AAS) have agreed to undertake a joint study to outline a vision for Australian water research and development. The two academies are motivated to do so because of the growing importance of water security in Australia and the lack of appropriate funding mechanisms for water R&D. The study will produce a discussion paper that will:

1. Highlight the significant economic, social and environmental value of water in Australia
2. Demonstrate the value of Australian water R&D conducted in the past
3. Review historic patterns in Australian water R&D funding arrangements and quanta
4. Outline future water R&D priorities for Australia
5. Recommend institutional arrangements and funding quanta for a national water R&D funding facility.

A Research and Development Corporation seems to be the most appropriate model for water R&D, with some or all of the cost to be derived from water sales revenue. Annual revenue from water services in Australia is of the order of \$16B, annual irrigated production is of the order of \$13B and annual investment in urban water infrastructure averages \$4B. The Australian Government and rural industries support 15 Research and Development Corporations in rural research, with a total annual investment of the order of \$600 million.

The discussion paper will not be finalised until mid-2020, but we would welcome the opportunity to discuss our preliminary findings at any point.

Please contact Policy Analyst, Michelle Low, on (03) 9864 0936 or michelle.low@atse.org.au with any further enquiries.

¹ The Australian Academy of Technology and Engineering operates as a Learned Academy of independent, non-political experts helping Australians understand and use technology to solve complex problems. Bringing together Australia's leading thinkers in applied science, technology and engineering the Academy provides impartial, practical and evidence-based advice on how to achieve sustainable solutions and advance prosperity.