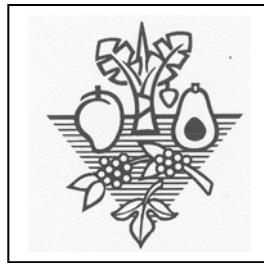


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BANANA AVOCADO MANGO PASSIONFRUIT COFFEE  
*Servicing the sub-tropical fruit industries*

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## **Submission to the Productivity Commission Inquiry into the Australian Government Research and Development Corporations**

### **Introduction**

As Project Leader for three RIRDC coffee projects and Chair of the R&D Committee and Project Leader for a number of projects for the Australian Passionfruit Industry over many years, I feel I have some worthwhile constructive comments to assist the deliberations of your inquiry.

I would appreciate the opportunity to make a personal appearance before the inquiry at my own expense, in order to provide more information and answer questions from the Commission.

This submission briefly outlines my experience and comments on two RDC's and two small horticultural industries, coffee – an emerging industry; and passionfruit, as an established small industry.

My primary reason for making a submission is that I believe the coffee industry in Australia has a bright future largely because of the sound scientific basis of the research and development program which has been initiated and substantially funded by the Rural Industries Research and Development Corporation since the late 1980's. I believe the investment in sound and rigorous R&D to determine the future realistic prospects for new industries is the most effective use of tax payer dollars.

The passionfruit industry on the other hand, is well established but still small. This industry is struggling to maintain an effectively R&D program because of the fluctuations in supply of fruit due to variable weather conditions which affects the amount of levies collected for R&D. Its partnership with Horticultural Australia Limited has enabled worthwhile research to be conducted, however industry expansion has been limited by the high cost of levy collection by LRS and administration costs of HAL compounding the fluctuations in funding available from levy collection

## RIRDC and the Australian Coffee industry

Key points –

- The ASRRC (predecessor to RIRDC) provided the funds to hold the initial workshop in 1988 to evaluate the potential for an Australian Coffee Industry. This was a rigorous investigation involving scientists, engineers, coffee marketers, roasters, etc., to critically assess the early field investigations and the quality of coffee produced from the tropical and subtropical growing areas of eastern Australia. It also assessed whether there was a future for an Australian coffee industry.
- That workshop provided the bases for a structured R& development plan and a 5-year project from 1988 to 2003.
- A further coffee marketing summit in 1990 (convened by myself with funding support from RIRDC) determined that there was a future for Australian subtropical coffee.
- A 5-year R&D project was funded by RIRDC with salary contribution from both the Queensland and New South Wales Departments of Primary Industries and Agriculture respectively.
- The research on assessing the suitability of a wide range of cultivators of coffee, for the tropics and subtropical regions, and the agronomic management of this crop to suit machine harvesting provided a sound basis for the industry to establish.
- Further investigations and projects on development and technologies for machine harvesting and processing rapidly placed Australia at the forefront of machine harvesting technology in the world.
- Irrigation strategies for the management of coffee in the subtropics were subsequently developed, again with RIRDC as the sole funding agency in hard dollars with in-kind contribution from NSW Agriculture.
- From this thorough and rigorous research foundation, the Australian Coffee Industry has developed with the benefit of sound scientific, agronomic, economic, engineering and marketing information on coffee growing under Australian conditions.  
I can assure you, had we followed the advice ‘ex-pat’ growers from traditional overseas tropical coffee producing countries (and the ‘data free observations’ we were given) the Australian coffee industry in both the tropics and subtropics would not have developed as rapidly or as professionally. A good example is the requirement for ‘shade’ and altitude to produce the best coffee.  
I would like to explain the interesting experiences in this topic to your inquiry.
- RIRDC has continued to assist in the orderly development of the coffee industry, funding the production of an industry strategic plan for the Australian Subtropical

Coffee industry in 2009/10 and a critical research project to evaluate ‘The effect of cherry maturity on taste’ also in 2009/10.

- The strategic plan now sets out how the industry will develop over the next 5 years and how it will fund further industry development – not relying on RIRDC but by voluntary contributions from growers, agricultural service suppliers and joint promotional activities with complementary agricultural industries of the region, e.g., the milk industry. A firm direction for the future has been set following involvement from all sectors of the industry from growing, harvesting, processing, roasting, marketing, with representatives selected on a ‘skills’ basis to develop the plan in a “Setting Directions Workshop” in October 2009. This workshop was also funded by RIRDC.

### Summary on coffee

- RIRDC provided the essential groundwork in variety selection and the development of managements systems to suit machine harvesting and the Australian environment. After the initial settling in period, both the tropical and subtropical coffee industry are making positive impacts for quality in the export market and in international barista competitions, and the new breed of growers and baristas are taking the industry to another level of professionalism and consistent quality.
- Without the initial and continuing support form RIRDC for essential R&D the coffee industry would not have developed as quickly or as professionally.
- The culture of the RIRDC in my experience has always been one of providing clear, positive, helpful professional advice and support. Individual program contact staff have always had sound background experience in successful research and commercial business or organisations, acting as mentors to new industries and keeping close contact with project leaders.
- I firmly believe potential new industries should be put through a similar program to assess if allocation of tax payer funds is justified –
  1. In an initial workshop involving reputable objective scientific, marketing analysis and agronomic input;
  2. Development of an R&D plan to fill key gaps in knowledge;
  3. A whole of supply chain workshop to produce an industry strategic plan.

## **HAL and the Australian passionfruit industry**

Key points –

- A small established industry with a gross value of less than \$10 million.
- A supply sensitive industry affected by fluctuating weather conditions which affects the levy funds available for R&D. Adverse weather conditions over the past 3 years have resulted in funding for new projects being curtailed at least until 2011.
- With depleted levy funds the industry is struggling to maintain its existing R&D high priority projects and the high cost of administration charges of HAL and the LRS.

### ***Conclusion***

There are several issues I would like to present to your inquiry regarding the funding arrangements for small and emerging industries, how they are administered and the suitability of the existing R&D agencies to meet the specific needs of these industries.

I would appreciate the opportunity to appear before your inquiry at my expense.



Horticultural Consultant  
10 July 2010