

STAHMANN FARMS ENTERPRISES PTY LTD
SUBMISSION TO THE PRODUCTIVITY COMMISSION REGARDING R& D
FUNDING MECHANISMS

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PREPARED BY:

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1.0 BACKGROUND

Stahmann Farms Enterprises (SFE) has been a recipient of Voluntary Contribution (VC) supported HAL Funds since 1987 when it first began research into Integrated Pest Management in Pecans.

As a result of this ground breaking research our pecan farming operation has been Pesticide Free since that time and has supported research, extension and commercialization programs for the control of our own pest species as well as work in a macadamia's, cotton, and citrus.

2.0 THE SPECIFIC BENEFITS OF THE VC SYSTEM

Pecans are a minor crop in Australia with no formalized institutional research programs being undertaken. As such our organisation needed to take control of its own R&D Strategy. We did this by first establishing a partnership with a research provider and building on this relationship through VC initiated research proposals.

A key feature of all the research work undertaken by our company is that it was undertaken by scientists living on farm – mentored and supported by their host research organisation but living and breathing our industry.

The VC Funding model uniquely provides smaller industries such as ours the opportunity to take control and ownership of their research issues ensuring efficient delivery and rapid uptake of the outcomes.

3.0 MOVING FORWARD

The VC Model is critical in developing the capacity of minor horticultural crops such as Pecans, Macadamias, Walnuts and other tree nuts, to establish cost effective and efficient R&D programs.

I would encourage the Productivity Commission to support the continuation of this funding model and to review how the benefits obtained by our industry can be more effectively employed by other more mainstream R&D users.

One aspect of the VC model is the inequity of applying the standard but extremely high Administrative Loading which HAL currently applies to all projects. VC projects are directly managed by highly motivated industrial partners who not only drive the efficient delivery of research outcomes but who have a vested interest in immediate adoption. This self managing system significantly diminishes the administrative and project management related support role which HAL may need to employ in a more complex and diverse cross industry context.

RECOMMENDATIONS:

- 1. The VC Model of funding, currently possible within the HAL system should continue to be supported as a key mechanism for minor horticultural crops to establish R&D capacity.***
- 2. The overhead charge imposed by HAL for VC funded projects should be reduced in response to the inherently simpler project administration and management functions associated with these projects.***