



Australian Native Food Industry Limited
ABN 80 123 156 105

PO Box 438
Cooroy QLD 4563

23 June 2010

RDC Inquiry
Productivity Commission
LB2 Collins Street East
Melbourne VIC 8003

Dear Sir or Madam:

Re: Inquiry on Rural Research and Development Corporations

Australian Native Food Industries Ltd (ANFIL) is an industry peak body representing participants in the native plant food industry. Incorporated in 2007, ANFIL represents participants from a broad range of geographic locations, botanical products and supply chain roles in production, harvest, processing, value adding and marketing of native plant food products within Australia and increasingly through export. Our industry is committed to sustainable production of new crops, enthusiastic about prospects for a truly Australian cuisine, and hopeful that we can foster a home-grown indigenous plant-food industry.

ANFIL is a participating member of New Rural Industries Australia, and endorses the points made in that organisation's submission to this inquiry.

Specific aspects of our experience that we would like the commission to consider can be summarised as follows:

- 1. The critical role of RIRDC in incubating new industries through the difficult early stages.** ANFIL was the result of more than ten years of concerted effort by a handful of people to form a body to represent the interests of industry participants. RIRDC support in forming the peak body was absolutely essential – convening small strategic meetings, assisting with communication, and acting as a disinterested arbiter in the debates around constitution, membership etc. This group eventually identified research and development as a key driver for coordinating activity across the industry – and set about developing an R&D program, again with guidance and support from RIRDC.
- 2. R & D Plans as a guiding framework for industry development.** Prior to the formation of ANFIL--and development of the 5 Year R&D Plan--such research as was undertaken usually arose from energetic lobbying by individuals within the industry, or a capitulation to the agendas of research providers. Development of a Research plan has helped identify priorities, set objectives and enable regular re-assessment of the goals of the organization and the research providers. Reference to the plan in our approaches to corporate partners has enabled acquisition of substantial matching funding for well chosen, relevant projects, thereby providing excellent value for the expenditure of scarce funds.

3. **RIRDC as a seed fund to encourage industry contribution to R&D.**
Our objective is to secure equal investment from industry and RIRDC within 3 years, and we are already well advanced in this goal, but at present we find we are unable to encourage research in several of our priority areas simply because there are insufficient funds available through our part of the New Plant Products Program. While ANFIL appreciates that there will always be a need for more investment in R&D, we have found ourselves constrained in the number and scale of projects we are able to support. Nevertheless, without the momentum provided by RIRDC funding for our projects, it is doubtful that we would have managed to attract even modest industry support. As it is at the moment, we are able to present an attractive, well-leveraged program to our membership, and are therefore able to induce cash contributions from our membership as well as sponsorship from large corporate partners (eg the Coles Indigenous Food Fund has been a generous supporter of our program).

4. **RIRDC relationships with industry.** Some of our members have been involved with RIRDC in various roles since its inception, and fully endorse the observations in the NRIA submission relating to the increasingly bureaucratic processes required of project proponents. For example, it is difficult--from an outsider's perspective--to appreciate the value of the 'Clarity' management system to those of us required to engage with the organization. Similarly, the detail and complexity required of Full Research Proposals has increased substantially over recent years, placing a significantly increased demand on the time and resources of research providers, advisory panels, and industry co-investors. It isn't clear that this has led to a concomitant improvement in accountability or the quality of the resulting projects. Efficient and effective project initiation and management most often results from transparent, forthright relationships between key players in the process – well informed industry representatives, responsible and knowledgeable government representatives and visionary private investors.

In summary ANFIL endorses the points made in the NRIA submission, acknowledges the huge contribution made by RIRDC to progress in our own industry, and supports increased, well-directed investment in the R&D program, particularly as it assists small, new rural industries.

Best regards

Martha Shepherd
Chair
Australian Native Food Industry Ltd (ANFIL)