

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



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**Lucerne Australia  
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Thank you for the opportunity to submit to the Productivity Commission Inquiry into the Australian Government Research and Development Corporations Model. This submission is made on behalf of Lucerne Australia Inc. Lucerne Australia wishes to make observations on parts of the Productivity Commission Issues Paper from the perspective of the pasture seeds industry, particularly lucerne seed.

The Australian Rural Research and Development Corporation (RDC) model has brought great value to many of our rural industries, regional areas and our country. We believe that the system is not a completely broken model, so we urge the federal government not to dismiss it outright. There are significant areas for possible improvement to the model, so we welcome the federal government's initiative in requesting this review and report by the Productivity Commission (PC).

Lucerne Australia is the peak body for Australian lucerne seed producers (certified & uncertified) and their associated industries. The group represents both irrigated and dryland levy paying producers across Australia. Although considered a niche market compared to the likes of coarse grains, the

Australian lucerne seed sector is a productive world class and world competitive industry.

The overall lucerne seed industry in Australia is currently worth around \$AUD 95 million per year, with exports contributing around \$AUD 30 million and domestic sales of \$AUD 8.7 million. The remainder of the value lies in associated inputs and the allied industries (eg. seed processors and marketers) that are crucial to the lucerne seed value and supply chain.

In our view the Research & Development Corporation model (RDC) is functioning adequately in its capacity as the designated authority for our research & development corporation for the lucerne seed industry. Its structure is born out of an era of Government regulation and it is currently performing most tasks it is required to undertake to maintain our R&D requirements.

Currently the lucerne seed producers contribute approximately 50% of the RIRDC pasture seeds levy income and rates as a significant stakeholder in the Australian pastures seeds industry. In its research capacity, RIRDC is performing adequately in the delivery of quality R & D projects.

Lucerne Australia is passionate about keeping a healthy R&D sector within the industry and has seen enormous benefit from the research program over the years that it has been running. Being a statutory levy which encompasses all certified seed producers is seen as a huge advantage to our sector. Changes to the legislation seeing uncertified seed captured, would be welcomed by Lucerne Australia. Australia has a vibrant uncertified seed production sector which is currently 'riding on the coat tails' of certified production for research funding.

The matched funding scheme offered by the government is invaluable for making this sector viable. The government still does extremely well from the research conducted as the success projects often have a heavy emphasis on private or industry contribution. In a lot of cases (including in-kind contributions) it is up to 50%. When this model prevails the government has in fact only had to contribute 25% of the total spend.

Where a public R&D systems become invaluable is with the expertise that they capture. If research is left up to individual business it is generally done internally, providing no information sharing to the greater industry and is often done by existing employees. By having an active public research sector the industry is able to engage the minds of dedicated researchers who will provide more scientifically sound outcomes which are then available to the wider industry.

The critical nature of a statutory R&D funding system is that it encourages forward thinking and a vision for the future. While there are research grants available people are willing to try new things which otherwise may be considered too risky. The research grant is often just the seed funding required

to get an idea off the ground, but without it an industry can become stagnant.


A sector the R&D model identified by Lucerne Australia as needing drastic improvement is in the dissemination and extension of research outcomes. The inflexibility that exists in most government funding applications leaves only specific and narrow pathways open for funding opportunities. Most of these pathways are tailored to suit the needs of research project, with very little consideration given on how to disseminate the information once the projects are completed. Often it is simply left to the researcher which is an inherent problem in itself. Unfortunately most researchers are very good at what they do, but are poor communicators and are not passionate about that extension aspect of the process.

Lucerne Australia has been involved in planning processes with the RIRDC pasture seeds sub-committee on several occasions. This has seen extension and dissemination identified as a key aspect in the budget spends. Previous years have seen extension and dissemination only achieving a 1.5% spend whilst being allocated up to 20% of the RIRDC pasture seeds sub-committee's annual spend. Unfortunately this has occurred due to a fundamental floor in the system for allocating funds. The problem is that there is no strategy employed to facilitate the desired spending levels. The funding allocation currently only allows for projects to be funded via the normal project application process or with a commissioned approach if the committee identifies an area of urgent attention. Lucerne Australia feels that it would be very beneficial for the pasture seeds committee (and all programs within RIRDC) to appoint dedicated communication & extension officers. This would run on a similar principle to what is done within the GRDC. This ensures that research outcomes are being delivered to stakeholders in a timely fashion and in a format which is suitable for the target audience.

The pasture seeds industry operates on a small budget, so it is critical that any money spent on research not only delivers real outcomes but is then able to be understood and adopted by industry.

Lucerne Australia is always open to dialogue regarding industry issues and welcomes you to contact either Shane Oster 0419400461 or myself with any feedback or questions you may have at any time.

Yours sincerely

<p>Shane Oster Chairman Lucerne Australia</p>	<p> Charlie Crozier Executive Officer Lucerne Australia</p>
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