



Our Australian Rice Industry

Growing Rice to Feed the World

12 November, 2010

The Productivity Commission
Locked Bag 2, Collins St
EAST MELBOURNE VIC 8003

SUBMISSION TO THE DRAFT REPORT ON RURAL RESEARCH AND DEVELOPMENT CORPORATIONS

The Ricegrowers' Association of Australia Inc (RGA) notes the release of the Productivity Commission's Draft Report on Rural Research and Development Corporations (RDCs) on 23 September 2010 and welcomes the opportunity to provide comment.

The RGA welcomes the recommendation by the Commission to retain the current, albeit slightly modified, RDC model. In particular, the RGA is pleased the Commission recognises that reallocating Australian Government research funds to CSIRO or universities would lessen interaction with primary producers, leading to fewer reality checks of the validity of research undertaken and slower adoption.

The RGA is also pleased the Commission has not determined it necessary to forcibly amalgamate existing RDCs. The rice industry, as a comparatively small grain industry, chose RIRDC as its research broker in order to have greater input into research priorities than would have been possible in a larger, generic grain RDC.

The RGA is very pleased that the Commission acknowledges the burden placed on industry as a result of the interpretation and application of the Levy Principles and Guidelines by the Department of Agriculture, Fisheries and Forestry (DAFF). As the RGA noted in its original submission, industry accepts the need for rigour and transparency when seeking to access Government funds for industry research. But as the Commission rightly points out, the cost of this compliance, and length of time for approvals, is not always commensurate with the magnitude of change sought.

Of course, the RGA has some concerns in relation to the establishment of Rural Research Australia (RRA) and the consequential cut in Government matching funding for industry research. While the RGA has concerns about the impact on rice industry research of these proposed cuts, there is just as much concern about the ability of RRA to deliver the Commission's objectives. As another RDC, the Commission is setting RRA up to operate in the same way as Land and Water Australia (LWA), that is, seeking to leverage funds from industries to collaborate on industry specific research. This not only would fail to deliver on the Commission's objectives of an RDC to undertake research for the public good but would exclude smaller industries from engaging with RRA.

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A Commodity Council of the National Farmers Federation

If the Commission believes that the public good will be better served by diverting Government funds away from industry to a new RDC, then the Commission needs ensure that RRA is tasked to undertake broader, cross-industry, blue-sky research that industries cannot afford to invest in individually. That said, the RGA believes it is crucial that the RRA engage with industry in the pursuit of its research objectives in order to test the validity of their approaches, provide rigour in their testing and contribute to extension outcomes.

The RGA would not support RRA being established as either a Government research agency with no connection to industry, or as another RDC, where projects are limited to those based on which industry can contribute funds.

For further information please contact the RGA on (02) 6953 0433.

Yours sincerely,

RUTH WADE
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