



AUSTRALIAN RUBUS GROWERS ASSOCIATION INC

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Productivity Commission
Locked Bag 2, Collins St East
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Subject: Draft Report – Rural Research and Development Corporations

The Australian Rubus Growers Association (ARGA) supports the effective and cost-efficient operation of Rural Research and Development Corporations.

As the peak industry body representing Australian Rubus growers (growers of raspberry and hybrid blackberry crops), ARGA is concerned about the impact of some of the proposed changes on the ability to undertake research and development for a very minor crop in terms of production area but, none-the-less, a profitable crop. The current level of matched funds for industry levies has enabled the Rubus industry to fund research that has both wide industry and consumer benefits. Any reduction in this matched support has the potential curtail the present expansion of the industry.

ARGA requests that full consideration be given to the following aspects of the Draft Report:

- The proposal to dilute the research funding available to agriculture and horticulture by establishing a new Rural Research Corporation. As a small levy collection industry, we already pay a higher percentage in collection costs per dollar of income, compared with larger industries. Growers would be very unhappy to learn that the government was taking more corporate recovery costs from their levy to fund a new body, when Horticulture Australia Ltd already services the industry adequately.
- The proposed reduction in matched funding to support levy funded R&D will significantly reduce the industry's ability to undertake the much needed applied research to enable the industry to adapt to specific Australian conditions such as climate variability and long transport supply chains. Without this research, the Australian consumer will not be able to enjoy the best quality fruit on their table. Reducing the co-funding, even in the timeframe proposed in the Draft Report, will have an immediate impact on investment in industry best production practice and improving supply chain efficiency
- The ability to receive matched funds for Voluntary Contributions from the Peak Industry Body or individual businesses has provided a significant boost to the funds available for the industry to invest in R&D. In representing a small industry, the ARGA has often invested members' funds collectively to ensure that important projects are undertaken that will benefit the whole industry.
- Of the over 150 commercial Rubus farms in Australia, only three or four are of a size that would allow them to invest in their own R&D. These businesses usually regard the results of their research as their own Intellectual Property. In order to remain competitive, groups of businesses have made Voluntary Contributions, through ARGA, to ensure that vital industry development issues eg importation of new varieties are addressed to ensure the viability of the entire Australian industry

- Since the levy was introduced five years ago, the money raised from growers together with the matched funds from government have enabled the industry to undertake projects to ensure that the consumer has access to better quality fruit with a focus on the health benefits of consumption
- In the absence of adequate direct government support for the provision of new chemistry, lower impact crop protection chemicals for Minor Crops, ARGA value adds using the government's matching for levy funds to provide chemical residue data to allow the Australian Rubus industry to gain access to new innovative crop protection chemicals through the Minor Use Permit system, thus ensuring food biosecurity.

ARGA welcomes the proposal to consider the Research and Development and Marketing levies as one levy and to be able to vary the percentage invested in each area as the needs of the industry change.

Australian agriculture will become uncompetitive if technology stagnates. Flexibility, innovation and adoption of new science and new technology are vital and have been a major contributor to the reputation of Australian farmers as some of the most efficient in the world. It is important that the operation and funding for the Rural Research and Development Corporations does not limit the constant improvement required by Australian farmers to remain profitable.

ARGA would be pleased to elaborate on any of the above points. Please contact the ARGA Secretary, by phone or email.

Yours faithfully,

Alison Brinson
ARGA Secretary