



Australian  
Custard Apple  
growers association  
inc.

25 November 2010

The Productivity Commission

Dear Sir/Madam,

**Australian Custard Apple Association response to the Draft Report**

Our industry would like to draw your attention to our response to the key issues we wish to respond to in the recent draft report.

Reduction in funding for research and development

The cost to fund research and development within all horticulture industries has risen significantly over the last few years. Grower returns have not had a corresponding increase, so there has been very little capacity for individual or groups of growers to fund research and development outside of the levy collection and matched government R&D funding regime.

If Government were to reduce or abolish the level of matched funding from current levels, this will mean that smaller industries such as ours will have to forgo any further research and development projects. Large industries will also face extreme pressure and will be forced to cut their research and development.

Australia has always prided itself on being on the cutting edge of research and development of not only new plant varieties, but also production efficiencies. Other countries have looked to Australia in the past for guidance in terms of production efficiencies. However, we have seen over the last few years with the rising costs of research and development, and the inability of state based government research bodies such as the Department of Primary Industry to assist industry and growers with R&D, that Australia is starting to lag behind our competitors in technology and research advancement.

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Australia is starting to look more to other countries for leadership in production efficiencies. With pressure from the mining and resources sector to take over excellent production land, and urbanisation developing farm land, Government and Industry must arm our growers with the latest information in sustainable farm practices.

Failure to do so, puts the future of Australia's food security at great risk. At a time where the future of our country's food security is paramount, to have any reduction in funding for research and development is extremely unwise.

It would be a backward step for Australian horticultural production if the levy funded research and development projects were reduced or abolished. Without any exaggeration, this would mean the demise of many producers, and could in fact see the end of some industries, as they would no longer be able to compete with other countries who have a much lower cost of production eg labour.

Horticulture is made up of over 39 different industries, with a multitude of crops grown. Industry bodies work within the structure of Horticulture Australia Ltd (HAL) to combine our research and development funds to work on cross-industry projects, this is extremely difficult as most crops face varying problems. While there is some common ground on some, in the main each crop has different challenges.

HAL is to be commended on its efforts as an RDC in bringing together so many diverse groups under the one umbrella. HAL has expended significant effort over the last two years to work with the various industry bodies to develop a robust, cost effective and efficient RDC.

Should you wish to discuss any part of this response please don't hesitate to contact me on mobile 0417 612 488.

Yours sincerely,

Ros Smerdon  
President  
Australian Custard Apple Industry