



Mallee Sustainable Farming Inc.
2/152 Pine Ave
PO Box 5093 MILDURA
VIC 3502
Ph: 03 5021 9100
Fax: 03 5022 0579
Email: admin@msfp.org.au

Submission to the Productivity Commission Inquiry into RDC's

Regional & local perspectives are critical to timely and effective adoption of R&D for innovative change. Local relevance & extension of research findings drives the change. Mallee Sustainable Farming Inc (MSF) is a farming systems group of 250 members across the low rainfall dryland Mallee farming area of the NSW, Vic and SA. It provides on farm demonstration & extension of research findings in partnership with farmers, CSIRO, GRDC and a host of other project investors.



Summary

- It is difficult to identify improved farm practices that do not have both private and public benefit
- Strongly support co-funding between government & industry recognising both public & private benefit is attained
- Government should continue and increase funding agricultural RD&E and include farming systems groups in the overall funding model
- Government should continue with the GRDC model - retain what is working well & don't change for the sake of change
- Benefits of any change must be clear & evident
- Support the extended use of industry levies but inclusive of retention of government contribution for agricultural development as a balance to precarious annual fortunes of agriculture

MSF strongly supports the current RDC model that has a joint funding approach from industry and government towards RD&E activities - activities that lead to a benefit for both the public and private good. This is particularly so with the current grains industry model via GRDC, who have good communications and feedback mechanisms in place with growers in conjunction with farming system groups.

Local decision making input is vital and the GRDC goes to great lengths to ensure the needs and issues of grain growers are understood and acted upon. They understand that the farmers, not the product, are the driver of their, and the government's investment in the industry. and Australia's domestic & export future

The importance of continuing, even increased RD&E funding in this industry cannot be understated and its value evidenced over the last decade by the fact that most farmers have been able to remain viable and manage their land better, despite average rainfall in the region being sometimes up to 40% less than the long term average. The research into, and subsequent development, demonstration and extension of the research into better low rainfall farming systems in the Mallee have contributed directly to this outcome.

It is not just about productivity, it is also about sustainability of the farm & land system and the resilience of farm business to cope with adverse circumstances. The sustainability of these farm businesses underpin the stability of the local rural community and their resilience reduces excessive demand and cost on the health & welfare systems in the public interest of the nation as a whole

This result has only been possible because of

1. joint funded research, R, into more efficient, productive and sustainable farming practices and methods,
2. local development, D, whereby the results of research are adapted and validated for local conditions, and
3. effective extension, E, that demonstrates in the field and communicates to local farmers the practical application and learnings that drive the practice change and adoption of new farming methods to deliver better outcomes.

The public good benefits of effective RD&E extend beyond food security, safety, nutritional value and biosecurity. Of equal importance is the benefit that improved sustainable practices bring to the enhanced management of natural resources. The adoption of methods such as minimum till cropping in the grains industry have delivered this benefit as well as broader community wealth, infrastructure and capacity to manage through adverse climatic and market conditions.

The public good benefits of RDE also extend to managing emerging carbon and green house gas emission issues. In reality, it is difficult to identify improved farm practices which provide private benefit, without there being an associated public good.

Farming systems groups across the country, such as MSF, play a vital role in driving practice change as we form a strong link with growers on the ground and with the RDC's providing strategic leadership on a national & global front. MSF provides a channel for farmer financial and in kind investment in their prosperity, their environment, their health and their community. There is opportunity to increase this contribution with a small government investment in the farming systems group model. The multiplier effect in terms of farmer input would be significant.

We have the ability to work across local, state and federal businesses/boundaries and agencies to bring them and the farmers together where common climate, soils & industries exist thereby reducing barriers and duplication in devising RD&E strategies to resolve common issues.

The funding of this process and on ground work to develop better ways is vital and RDCs and farming systems groups are a very effective method of delivering these benefits when they work in conjunction with local cluster groups of farmers and their grower groups. This has particularly been the case with GRDC with whom we have established a close working association.

The R&D importance of industry development is undermined and wasted without an effective D&E link to the people on the ground - the farmers who produce the food for our country and also the people of other countries around the world.

To say it another way, the best R&D could have little effect on the industry and its participants if an equally effective D&E path to drive adaptation and practice change is not funded and present as a path to market for the information.

MSF believes it is essential that a significant RDC funding contribution by government continues so that all three components of the RD&E cycle can be available to continue progressing production, productivity and sustainability hence securing an economic, social and ecological future. It is not useful to view RDE for agriculture solely in private interest terms

The federal funding certainty into the future is even more important as many state agencies have redirected their RD&E budgets away from the critical development and extension area and more towards the core research disciplines they are aligning to under the PISC review. This is despite the initial agreement that whilst research would be coordinated nationally, development regionally and extension locally would continue to be supported by the States.

Their reductions in these areas have thrown the responsibility onto farmer groups and private consultants, neither of whom have adequate resources nor time to build them and consequently are unlikely to have the ability to give priority to public good activities.

Reductions in government support also makes programs more vulnerable to funding variation due to seasons and prices. This creates further instability and uncertainty in what is an already uncertain fiscal environment and does little for longer term planning and capacity to attract and retain staff to adequately reap the benefit of experience along with local and scientific knowledge.

Capacity for RD&E in areas other than technical, especially farm businesses, socio-economic and adjustment areas are vital also to regional communities and their industries surviving and progressing. An uncertain outcome is likely with the proposed switch from EC funding to programs to build resilience unless there are sound socio-economic/adjustment objectives in place. Nor will it automatically bring together the links with the D&E essential for building strong rural business that sustain rural communities & infrastructure

Assisting with the alignment and collaboration of federal and state funded RD&E activity would lead to more efficient use of the investment dollar, and make the communication of the outcomes more broadly known to researchers, developers, business and farmers alike.

This broader perspective may well be one the Commission's recommendation for the Rural Research Australia to address, so long as it engaged effectively with existing RDCs and is funded

incrementally, rather than at the expense of the existing RDC structure. Of key importance in any consideration of RRA is who decides the research agenda, who is it for and who benefits (and pays), and how will the results be delivered to those beneficiaries.

The case for industry levies to be extended to include grain handlers, processors and marketers has merit, as increases in production and quality has benefits for their businesses also. The risk of increased industry funding is the variability of the resources with the inconsistency in seasonal production and markets. The already depleted human resources focussed on agricultural development is likely to be at further risk without the ongoing government involvement that has a steadying effect on these fluctuations.

A worsening shortage of expertise within the agriculture RD&E arena at all levels is an area to which we also draw the commissioners' attention. To work smarter as an industry requires more "smarter" people to be involved at all levels. RDCs are recognising the importance of this issue as being one of the most important facing the future progress of agriculture and will play an increasingly important role in this area. In addition, we believe that the industry warrants special consideration in government measures to attract more people into the profession as they do with other industries which have a skills shortage. Such intervention we believe will be important if the industry is to continue to generate both direct and indirect public and private benefits, both in the short, and more importantly, the long term.

Collaboration between RDCs where it makes sense, and a clear benefit can be realised, should be encouraged although not mandated just for the sake of collaboration alone. Not all RDCs are the same and while improvements are surely possible in all of them we would be concerned about a broad brush, one size fits all approach to change that may reduce the effectiveness of those performing well already.

Ian Hastings
Chairman

Mike Mooney
Executive Manager

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www.msfp.org.au