

Dear Commissioner,

I wish to submit the following comments on the draft report.

My comments are reproduced from an article on the draft report authored by Drs Barry McGlasson and Gordon Brown, Technical Editors for Summerfruit and Apples and Pears Australia respectively in the industry magazine Australian Fruitgrower (2010) 4 (10), 20-21.

This review by the PC was initiated by the Assistant Treasurer Senator Nick Sherry, February 2010. Clearly, the general objective is to reduce government expenditure and the PC's recommendations, if implemented will achieve this. Contrast this with the recognition by the Advisory Committee set up by Mr Burke when he was Minister for Agriculture that recognised expenditure on rural R, D &E should be increased to reverse the general decrease in public funding that has been going on for several years. Note that the CSIRO budget for agricultural research was cut by \$63 million in 2008 resulting in closure of several research stations and that most State Departments of Agriculture or Primary Industries have received a decreasing proportion of their state budgets for several years. Also consider that HAL administers about \$80 million pa of Industry and Government funds for an industry that is valued at \$9 billion pa and employs many thousands of people.

The PC failed to recognise the role of the RDCs in education and training. Although there is no formal requirement for HAL to support education and training, many research projects are conducted by PhD students under the supervision of University academic staff and Research Officers from State Government Departments. Failure to recognise the important public good of the education and training component of R&D funded by RDCs will further diminish the ability of Technical Colleges and Universities to attract students into agriculture, horticulture and food courses. Linking education and training with vibrant research centres is essential for the economic and technological health of our agricultural and food industries. The Australian Council of Deans of Agriculture have reported that Australian universities graduate about 800 students per year in agriculture and related fields but the demand is estimated at 2000 pa.

This shortfall in professional agriculturists and support for R&D has resulted in a loss of 'corporate knowledge' on pome and stone fruit in Australia and increasing reliance on research information published overseas (Gordon Brown, Australian Fruitgrower (2010) 4 (9), 16-19).

When HAL was initiated, the HAL financial component of a government agency project would be of the order of 20-30% of the total cost. Today, on average around 70% of the government agency project costs are funded directly by HAL, but it is not uncommon for HAL to fund the total cost of many government agency projects (Nigel Scott, Chairman of HAL, HAL Annual Report 2009). This raises the question as to how these government agencies will fund projects and maintain staff numbers and knowledge in the years to come.

Successful R&D programs have always been important to Australian horticulture industries but are perhaps of even greater importance in the current environment. The

world's population is increasing and Australian horticulture has a potentially important role to play in ensuring Australia's food security but also in playing its part in feeding the rest of the world. Targeted research and development investments aimed at increasing productivity and profitability, and being able to adapt to changing growing conditions are crucial to the future growth of horticulture industries (Footnote: Vanessa Goss, Acting CEO of HAL, HAL Annual Report 2009).

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