



Ms Jane Thompson
Inquiry Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Ms Thompson,

I am writing this submission to you in my capacity as President of the Victorian Branch of the Deer Industry Association of Australia (DIAA) as well as the National President of the Deer Industry Association of Australia.

Firstly I would like to take this opportunity to thank you for your invitation to comment on the R&D levies situation in the deer industry.

The use of deer levy funds has been a much debated topic for at least the past 18 months and following many conversations with members, it has been made very clear that there is great concern that the purpose the deer levies were established for in the first place are no longer valid in the eyes of RIRDC and projects that are most needed for the survival of the industry no longer qualify for funding because they do not fall into the “pure research” category. Deer levy payers are angry that they are paying levies that are tied up in bureaucratic red tape and cannot be used for much needed industry development projects, in their view – why pay levies if you can't use them.

Comments:

a. an audit of reports, inquiries and reviews relevant to this inquiry;

N/A

b. the basis on which levies are imposed, collected and used;

The way the levies are collected and imposed has been fair and done in consultation with industry, unfortunately some projects the levies have been used for raise concerns and questions with industry.

c. competing pressures for finite R&D funds;

N/A

d. the opportunities levy payers have to influence the investment of the levies;

Currently industry levy payers have no input how levies can be spent and levies held by RIRDC are tied up by bureaucratic regulations and diverse interpretations of the PIERD Act in such a way that they cannot be used to the benefit of the industry and its levy payers.

e. the opportunities levy payers have to approve and reapprove the imposition of levies;

There is no formal consultation process with industry bodies, let alone with individual levy payers in this matter.

f. the transformation of R&D and marketing into increased returns at the farm gate, including the effectiveness of extension systems;

The current strict interpretation of the PIERD Act by RIRDC prevents any effective transformation of R&D projects into increased returns for farmers. Some flexibility needs to be allowed for small and developing industries that require industry development for increased returns before the research is required to take the industry to the next level.

g. collaboration on research to benefit multiple industry and research sectors;

N/A

h. industry governance arrangements, consultation and reporting frameworks; and

The deer industry body and its members feel completely left in the cold by RIRDC. The previous industry deer advisory board to RIRDC has been disbanded by RIRDC and replaced by a consultative committee; however, the only person believed by the majority of the industry to be a fair voice to represent its members will not be accepted by RIRDC. Her application for the new committee was not even acknowledged by RIRDC.

The lack of consultation is also evident in the recent 5 year R&D industry plan, which quotes a very wrong and misleading figure of the velvet value being \$25.49 / kg in 2011-2012. In fact, according to the levies department, the actual average value of velvet sold was \$65 per kg, giving a most damaging and wrong industry perception to possible new members. Despite several requests by the industry body to view the 5 year plan before it was made public, it was distributed to attendees at a recent conference, leaving the industry body to explain the mistakes.

i. any other related matter.

I understand there need to be clear regulations on how industry levies collected for R&D purposes can be spent to prevent the misuse of such funds through unscrupulous projects. I also believe these regulations as currently set out by the PIERD Act work effectively and fairly for the large agricultural industries but place small and developing industries at a disadvantage to the point of crippling those that need critical industry development to grow into a sustainable and competitive agricultural industry.

Industries that have no current research requirements should have the opportunity to use R&D funds for urgent but appropriate and industry approved development projects.

I would like to thank you once again for the opportunity for taking my comments into consideration.

Yours Sincerely

Andrew McKinnon
President
Deer Industry Association of Australia