

NSW

6 December 2001

Citrus Industry Inquiry
Productivity Commission
Locked Bag 2
Collins Street East Post Office
MELBOURNE VIC 8003

Dear Sir/Madam,

**Re: Citrus Growing and Processing
Productivity Commission Inquiry**

It is strange that after all the years of hardship that the Productivity Commission Inquiry should be launched this year. The current season is looking good. The Valencia tonnages are down and even though the fruit has been quite small in some instances, we have been getting a good return. In a good year like this people picking fruit on our farm have also benefitted because we have been able to pay them more per tonne than we would have paid them previously. Naturally this year we will pay tax but making a profit this year won't be enough to return the money we had in the bank.

My husband is an excellent farmer and all our trees have been sawn and shaped, making the fruit easier to pick as well as giving the oranges a better size. Despite this we have been no better off than the person who hasn't maintained their farm well. In a lot of cases this would be due to the terrible prices we have received for citrus in the past few years. Labour is so expensive so a lot of people have neglected their farms due to poor returns. Fortunately my husband has been able to do this work himself.

I wrote to Mr Howard the Prime Minister earlier this year sending copies to Mrs Kay Hull (National Party Federal Member for Riverina) and Mr Adrian Piccoli MP, (Member for Murrumbidgee), Mrs Hull and Mr Piccoli have been in contact with me and are working hard to help us in our plight. Mrs Hull sent me a copy of a speech she gave re the citrus industry in a Grievance Debate session in Parliament on 2 April 2001. I believe that if her coalition Government will now re-read this speech and act upon her advice that we could make a good living. Instead of having Brazilian concentrate dumped on us we only need a fair go - not the so called Level Playing Field that the Government (past and present) keep quoting to us.

We are more fortunate than most because for 35 years of our married life I was able to work off the farm (in offices) and help with bills eg replanting the farm, putting in tile drainage and a watering system as well as helping to educate our two sons. If I hadn't worked we would have lost our farm years ago. Last financial year, ended 30 June 2001, was the most difficult of my life. My health hadn't been good and I had to retire from work. On top of this we had the constant worry that bills were piling up and we had received no money for our produce. I was constantly in at the bank arranging overdrafts etc. The packing houses were unable to pay the paltry amounts they were promising us for our produce. Until a couple of weeks ago we had still been owed money from the

financial year ended 30 June 2000. We are still owed over \$17,000.00 from last year ended June 2001. This amount is owed to us by two packing houses. We traded at a loss in the last financial year and were fortunate enough to have set aside a little money to help us out, there is now very little left and if we have another year like the last financial year we would need to go into a lot of debt to enable us to get our crop off. We need to pick all the Valencia oranges off the trees because they won't fall off by themselves and if left on the tree cause all sorts of problems, one of the worst things is that of Scale. So even when we know there is no profit we have to pick all the fruit off the trees, they won't fall off by themselves like say peaches would.

This month we have finally received all the money due to us for the period ending 30 June 2000. We are still owed \$17,000.00 from last year. This money was included in our tax assessment for last year. Most of the citrus that this amount covers was **sold** to the Packing House for \$77.00 a tonne. I did some calculations and it cost us over \$60 a tonne to pick the oranges (this included wages, superannuation and workers compensation), without taking into account the water, fertiliser, electricity, accountancy costs, maintenance to our machinery etc.

We have a son who would dearly love to work on the farm with us but he makes a lot more money working for another farmer (who is in rice, wheat etc) than we could ever hope to pay him from our farm return. Another loss to us last year was that the money we had aside had to be on constant call to enable us to pay our bills therefore we could not invest it for any length of time and get a little interest. Now most of the money is gone and in the current climate I can't see us being able to put it back (so much for our Retirement).

We can't compete with Brazil for a lot of reasons but the one that makes me the angriest is the amount paid to the Mexican workers for a day's work. They don't even get subsistence wages and yet our Government is prepared to allow these people to dump their concentrate on us. I wonder how many parliamentarians have spent a day in an orchard picking any type of fruit! At a guess I would say hardly any, I've been there and done that and I can assure you that it is terribly hard work. Yet our Government is prepared to support a country who don't even pay proper wages.

Hon Warren Truss (Minister for Agriculture, Fisheries and Forestry), in his reply to the letter I sent the Prime Minister is advocating that we should reduce our dependency on supplying the lower value concentrate juice market, namely Valentias. In theory I can see his point but in practice it wouldn't be feasible at our age to go into debt again to plant Asuitable citrus. As it takes up to ten years from planting an orange tree to getting any sort of yield to sell, by the time these new citrus mature we will probably be dead or there will be such a glut of them that that would push the price down (the same as is happening in the grape industry).

To me to replant again is like chasing a rainbow, not much return at the end of it (we've already been there and done that as most of our fruit is only now coming into full production). Mr Truss also mentioned in his letter that there was assistance available to us through various avenues, but he didn't agree with a couple of obvious solutions eg implementing a tariff on imported Citrus Concentrate and giving incentives back to Juice Factories to use Australian Juice instead of cheap, inferior, imported concentrate. I know that in the last few years we have paid very little tax, due to small returns or none at all, but surely the people in Government can see that it can only benefit Australia if we get better returns, not only would we pay more in tax but we would also be able to spend more on equipment etc thus benefitting other Australians. I expect that the people who are

running this wonderful Country of ours are far brighter than me but I sometimes have my doubts.

Compounding our problems last year was the implementation of the GST. We had paid \$1,300.00 in accountancy costs in the previous year and we paid \$2,000.00 for the first three quarters of the financial year just passed. We have still to pay fees for the GST return up to the 30 June 2001 and also for compiling our whole year tax return for the year. So the accountancy fees almost doubled in the past year compared to the last couple of years. These costs were after the \$200 refund the Government gave us to make the GST easier. The Program to do our GST cost \$825.00, a two day course to learn the program cost \$300.00 and a further \$300.00 was spent on ongoing help from the Company we got the program off - this also paid for upgrades of the program because of the changes to the GST, since buying the program there have been three upgrades. Mr Truss in his letter to me mentioned that software for programs and training for the GST were fully tax deductible. I was aware of this fact but when your product is selling at a loss and you are not receiving an income there is nothing much to be Tax Deductible on. I was unable to invest in a new computer, capable of handling the extra accountancy program due to lack of money and have had to make do with a very old computer just barely able to cope with the program. It is pathetically slow and jams frequently often resulting in lost work which I need to re-enter, this takes up a lot of time.

The Government keep telling the Citrus Industry to look for more markets but if there was no concentrate or fresh fruit dumped here all our fruit could be sold in Australia. America help their farmers a lot more than the Australian Government will help us, we only need a chance to get back onto our feet.

I also feel that the labelling of juice, cordials, jams etc aren't self explanatory eg A Made in Australia from Local and Imported Ingredients (this was on a Cotte's Topping bottle.) In this case what is the Australian contribution? Are the ingredients from overseas juice, sugar or water? It makes it virtually impossible for us to buy Australian - I do look at the labels when I am shopping but I am never confident that I have bought anything Australian other than water. Surely the Government should be able to implement some policy to enable us to buy Australian if we wish to, without having to constantly wonder who we are supporting?

Unfortunately we had little benefit from the levels of assistance given by Governments to the Citrus Industry in the 1970s and 1980s as at that time our citrus were either very young plants or we were replanting the whole farm (Mr Truss mentioned these benefits in his letter to me).

Yours faithfully,

(Mrs) E T Garbin
for R E & E T Garbin