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Mr John Salerian
Assistant Commissioner
Productivity Commission
Locked Bag 2
Collins Street East
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Dear Mr Salerian

Citrus Industry Inquiry

I recently read with interest the Productivity Commission's draft report into Citrus Growing and Processing and in particular Section 5 'Government Policies and Programs' and Section 8, 'Are Further Measures Needed?'

The report highlights assistance and adjustment mechanisms available through the Commonwealth Department of Agriculture Fisheries & Forestry [AFFA]- Agriculture Advancing Australia package established in 1997. It is noted while the report highlights four programs in AAA there is no particular mention of Rural Counselling Services.

Rural Counselling Services [funded by the AFFA- AAA program with matching funding from state governments and the community] operate across Australia and are in place to assist farmers in financial difficulty. Rural Counsellors facilitate adjustment and decision making by farmers to access their ongoing and future viability. Counsellors are also instrumental in assisting access to the Farm Help program administered by Centrelink.

Currently there are Rural Counselling Services operating in the Sunraysia and MIA and until recently a Riverland service was available, although steps are in place to restart the Riverland service. As these regions are the major citrus producing locations in Australia, citrus growers can be adequately catered for by Rural Counselling Services.

In improving the delivery of Counselling Services AFFA would also like to see a greater linkage between services and industry adjustment programs. Ms Carolyn Page, Director, Rural Counselling Services, AFFA, indicated at the November 2001 meeting of the Victorian & Tasmanian Association of Rural Counselling Groups Inc that AFFA sees such linkages as being an essential part of the strategic direction of the Rural Counselling program. In light of AFFA interest it would seem apparent there be reference to the role of services in structural adjustment measures in the Citrus Inquiry report.

In commenting directly on the effectiveness of the Farm Help program I would stress that many of our clients are often solely dependent on Farm Help Income Support. The Income Support measure is a better alternative to Newstart in that farmer recipients are not required to meet an activity test, ie 'be work ready' and thus have to leave farm work. Whether Re-establishment Grants are sufficiently high enough is a point of contention as many accessing the Re-establishment Grant leave farming with very little equity or financial resources and the grant affords a meagre opportunity to restart their lives. References in the report (p. 90) to recipients purchasing 'comfortable houses' is a misinterpretation as Farm Help only affords a last chance mechanism.

The quoted reference by McColl, Donald and Shearer 1997 (p. 90) 'there is no objective evidence that the availability of re-establishment grants has accelerated farmers' decisions to leave agriculture,' misses the point. The availability of grants will not by themselves be attractive to farmers in deciding to leave farming as they are usually taken as a last resort when the farm business enterprise has failed.

It is arguable whether farm adjustment measures are best administered by Centrelink or through respective state Rural Adjustment Scheme Authorities experienced in dealing with the farm sector. Obviously there are benefits in dealing with one single organisation for delivery.

I also note the report refers to the Rural Partnership Program. The report infers that these programs are still accessible and available to industry. I have been advised the Kickstart Sunraysia RPP has recently concluded although access to the largest component of the program, property redevelopment grants, ended in 1999 when the \$5.4M component was over subscribed.

It has been announced the Riverland RPP will continue for another twelve months, although this will not involve any further allocation of funds. By the time the final Productivity Commission report is delivered the Riverland RPP will be winding down and with Kickstart finished there will be less government adjustment mechanisms available to two of the major citrus producing regions. Their particular inclusion in the report as an adjustment measure will loose relevance.

In closing I reiterate the value Rural Counselling Services provide to farming communities and urge their inclusion in the report. This inclusion will both strengthen opportunities to work in partnership with citrus industry bodies and provide a clear message to the citrus industry that our services are available to growers to assist with adjustment processes.

Yours sincerely



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Sunraysia Rural Counselling Service
Secretary
Victorian & Tasmanian Association of Rural Counselling Groups Inc