

**Sunraysia Regional Initiative for a
Sustainable Economy - 21st Century**

Inc No.AG0331611

ABN 81 397 614 997

21 February 2002

Mr John Cosgrove
Presiding Commissioner
Citrus Inquiry
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE 8003

Dear John,

Citrus Inquiry- Kickstart Rural Partnership Program

I have been advised that the Rural Partnership Program [RPP] initiatives have been included in the Commission's position paper into Citrus Growing and Processing and that staff of the Productivity Commission recently made inquiries into the effectiveness of Kickstart Sunraysia as an industry adjustment mechanism.

Without making any comment on the draft findings, I advise Kickstart Sunraysia concluded on 31 December 2001, although access to the most popular component, property redevelopment grants, ended in 1999 when the \$5.4M allocation was over subscribed. The report infers that this program is still available to industry. The particular inclusion in the report of Kickstart as a government program support measure will lose relevance as it is no longer available.

Kickstart Sunraysia was administered by the RAS Authorities, Rural Finance Corporation of Victoria and NSW Rural Assistance Authority. The program is highly regarded by both community and Government as a targeted adjustment mechanism designed to improve the future viability of irrigators. Kickstart was developed in response to concerns of leading growers in Sunraysia that most of the horticulture businesses were failing to keep up with the pace of change. While properties were viable, largely because of the high level of equity, they were most vulnerable to change. Those viable but vulnerable properties were classified in the 8ha to 15ha range, later expanded to 25ha to enable more citrus growers to participate.

Kickstart used a 'carrots and sticks' philosophy of cross compliance measures to ensure effective training and business planning was undertaken to support accelerated financial investment in property expansion or redevelopment. Kickstart provided the necessary stimulus to reinvest in horticulture with every public dollar leveraging \$5.90 of grower funding, with further significant multipliers flowing into the regional economy.

SunRISE 21 has recommended to government that a small amount of committed Kickstart funds remaining are directed into the SunLIS [Sunraysia Land Information System] component of Kickstart. Now that incentives available in the program have concluded, the inclusion of all Kickstart uptake data into the SunLIS irrigated crop database would greatly augment the Kickstart Evaluation by providing qualitative information on the success of the adjustment mechanism.

This would also provide important information to industry and the Productivity Commission about changes in citrus plantings and movement to or from the industry.

I suggest you contact Ms Sue Argus, Executive Officer, SunRISE 21 on 03 5022 1588 for any information SunRISE 21 may be able to provide to the Commission.

It would appear a valuable opportunity presents itself to finish the work of Kickstart and considering the funding redirection represents less than 1% of the total program of over \$10M, a small price to pay for what will be valuable information to industry and government. Similar multipliers of public funding leveraging would be represented in the value of the information.

The assistance of the Productivity Commission in support of SunRISE 21's recommendation to Government would be appreciated.

Yours sincerely

Ross Lake
Chairman

Cc Hon Peter Costello MP, Treasurer, Commonwealth of Australia
 Hon Warren Truss MP, Minister for Agriculture, Fisheries and Forestry- Australia
 Hon John Brumby MP, Treasurer, State Government Victoria
 Hon Richard Amery MP, Minister for Agriculture, NSW