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Productivity Commission
Government Drought Support
Locked Bag 2 Collins Street East
Melbourne Vic 8003

Dear Commissioners

In relation to the Draft Inquiry Report I am concerned that the value of the Professional Advice and Planning Grant is under valued and not recognised for the comprehensive work that is completed with producers. This work is completed in a private and confidential manner which is a requirement of any business providing professional services. Quite often the first point of contact is with the wife requesting assistance with the difficulties being faced by the enterprise and the negative flow on effect on family members. The husband knows that there has to be change but doesn't know how to ask for assistance or where to go, we make a point at the first meeting of sitting down at the kitchen table and listening to the challenges faced by the family. Once the family is comfortable with the services we can provide, we then make a point of doing a property inspection with the husband and this is where the communication channels open up and his concerns about what he and his family should be doing to improve their financial position with the farm enterprise.

We conduct a thorough analysis in three key categories which are affecting performance: Natural Resource Management, Financial Resource Management and Human Resource Management. Every farm is different and the recommendations and suggestions put forward specifically target problem areas that need to be addressed and then focus on the strengths of the enterprise with initiatives to improve performance in the three key categories. This process is conducted over a twelve month period with the initial business plan setting the foundation for future direction, however there are always a range on issues that need to be discussed and worked through. This business planning process brings about change in a cooperative manner to improve the long term financial position of the farm enterprise.

On page 329 the report mentions the low uptake of the PAPG, a major failing of drought assistance in prior years has been the unconditional payment of the ECRP with no obligation required on behalf of the producer to undertake any form of viability assessment or basic business planning. This has not assisted the change process it has only delayed the decision process which ultimately needs to be undertaken.

Many producers struggle to identify with the importance of medium to long term business planning, however once they are at the table they do recognise the importance of taking an objective view of their farming enterprise. The second point I would like to make about the low uptake of the PAPG, is that the overwhelming majority of producers in EC declared districts are not aware of the PAPG as it has only been recently introduced into the drought assistance program.

The final point I would like to make, is that the level of financial support with the PAPG is fair and adequate when considering the level of professional advice required to assist producers in difficult situations. The vast majority of producers cannot afford to pay for professional advice with business planning, they simply do not have the funds. The costs associated with providing this service to producers is considerable with many producers in remote areas and the costs associated with retaining quality professionals in this field.

Yours Faithfully



Murray Otto MBA

Copy – Hon Tony Burke MP
- Hon Chris Trevor MP