

# **Agricultural Competitiveness Green Paper Submission**

## **Date submitted**

12/12/2014

## **Name of Organisation/Individual**

Sunraysia Rural Counselling Service Inc

## **What are the top policies from the Green Paper that the Government should focus on in the White Paper and why?**

5. Finance, Business Structures and Taxation

Policy idea 12

Farm Business Improvement

The core business for Rural Financial Counselling Services (RFCS) currently includes:

- financial counselling for farmer and their farm enterprise when it is failing and/ or under financial distress.

- being part of a disaster response - acute disasters such as fires, and chronic disasters such as drought

The focus is on continued viability of a farming enterprise, clarifying adjustment and exit options.

We support the notion of expanding the role of RFCS, believing the services are well placed to adapt new activities to the farming communities we service.

With minimal impost on the current services, the RFCS could become more clearly recognised having a 'linking' role, and in the short term, ensuring connectivity between the farmer and

- wellbeing support services

- establishing earlier communications between the farmers and funders, addressing emerging issues such as debt management.

- government services - Farm Household Allowance (FHA), pensions, grants.

RFCS could provide more support to the FHA Case Officers, understanding that the volume of eligible recipients for FHA is well over the expected numbers. As a consequence there will be greater pressures on Case Officers to apply the requirements of the Financial Improvement Agreements (FIA) with recipients. One requirement is planning ahead for the farming enterprise, identifying adjustments that will assist the farm to return to viability.... or planning to exit! This is a RFCS area of expertise, and many recipients receiving FHA are already RFCS clients and have this type of planning in place: (90% of approximately 300 FHA recipients in Sunraysia are RFCS clients). Here is an opportunity to reduce duplication of effort and an efficiency to ensure a level of expertise is introduced to the FHA program - and it does not require much in terms of additional resources.

With regard to Farm Debt Mediation (FDM), RFCS already have an informal role in supporting some farmers to prepare for attendance at a FDM. It would be reasonable to formalise and promote this role more broadly, and to give RFCSs a formal role in monitoring and supporting the implementation of agreements reached in FDMs. (It is the case that a significant number of these agreements fail to be monitored or implemented).

In the medium term, there is opportunity to enlist the regional connectedness of the RFCSs to support the implementation of complimentary programs such as Small Business Advisory Service (SBAS) funded through AusIndustry. In Sunraysia we have been able to provide training, support and business development opportunities to many small businesses in small towns and remote communities, that in turn support their local farming communities. Having these 'like' services together is an opportunity to provide more comprehensive service delivery.

The RFCSs are well placed to research and deliver information from community and farmer inputs and feedback, having a finger on the pulse of

- farmers managing a burden of unusually high debt
- the industry managing changes and adjustment trends
- monitoring the health of the farming enterprises.

Overall, RFCS recognise the need for earlier interventions, earlier adjustments, and earlier negotiating with farming enterprises (and the inclusion of funders) in the creation of solutions and ensuring better outcomes from more supportive interventions.

In turn, there is a potential role for RFCSs to become facilitators, negotiators and supporters of Cooperative farming ventures, bringing three or four struggling enterprises together to form a new cooperative farming enterprise.

In conclusion, the RFCS is well placed to expand its role, but any expansion should be calculated and timely, to ensure the core business of RFCS is preserved and prioritised.

### **What policies from the Green Paper don't you support and why?**

N/A

### **General Comment**

The recent NRAC Review and recommendations can be seen as complimentary to the Green Paper references to RFCS. The Green Paper invites suggestions for additional roles and activity for RFCSs, while the NRAC review is looking to consolidate strong foundations for a highly valued service.