



The Hon. Barnaby Joyce MP

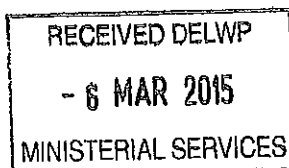
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Minister for Agriculture
Federal Member for New England



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The Hon. Jaala Pulford MLC
Minister for Agriculture
Level 16
8 Nicholson Street
EAST MELBOURNE VIC 3002



Dear Minister

I am writing to inform you of the decision by the Australian Government to provide a six month extension until 31 December 2015 of the current Rural Financial Counselling Service (RFCS) Programme. This will allow time for my department to design the new programme and conduct a grant process to select RFCS providers to deliver the next funding round.

Today, I announced my response to the National Rural Advisory Council's (NRAC) review of the RFCS Programme. In responding to NRAC's recommendations, I sought feedback, through my department, from current RFCS providers and state government agencies on the NRAC review to allow the government to balance the findings of the report with the realities of providing rural financial counselling.

I strongly support NRAC's position to continue the service and the government will look to reflect the majority of the report's recommendations to enhance services on the ground in future funding rounds. However, I do not support a 20 per cent cut to RFCS programme funding as this would impact the capacity of service providers to deliver services on the ground. The Australian Government will not prescribe a single service provider model and will determine the preferred model for each jurisdiction through the grant process. In the next funding round, consistent with NRAC's recommendation, pre-defined service areas will be determined for each state in consultation with the relevant state government.

I trust that my response to NRAC's recommendations addresses the concerns raised by the Hon. Daniel Andrews MP, Premier of Victoria and then Acting Minister for Agriculture, in his letter to me of 5 January 2015.

The Australian Government has allocated \$14.3 million to the RFCS Programme for the 2015-16 financial year. This is the same amount as the core funding for the 2014-15 financial year. I have allocated Australian Government funding to RFCS providers for the six month extension that I believe is equitable and considers current client demand levels.

