



year in review
2014/15
highlights



Providing services and independent support to the primary industry sector to enable them to manage change, risk and business challenges

achievements

Key highlights

RURAL FINANCIAL COUNSELLING SERVICE

1

Assisted 586 rural financial counselling service clients with 94 being new clients

2

90% of rural financial counselling clients were extremely satisfied with the level of service (Client survey results)

3

Additional funding (Australian Government and NT Government) for a new contract to provide rural financial counselling services in the NT until the end of 2015 and an additional rural financial counsellor in the South East of SA to meet increased demand due to the very dry conditions until March 2015

4

Rural financial counselling staff successfully completed Advanced Diploma in Agribusiness

5

Cost Benefit Analysis of the rural financial counselling service clearly demonstrated a significant economic return

RURAL SUSTAINABLE BUSINESS

6

\$300K from Government of SA (PIRSA) to roll out financial literacy programs for primary producers in SA

7

\$25K commissioned through SA Murray Darling Basin Natural Resource Management Farm Board to manage a pilot 'Farm Board Accelerator Program'

8

Successful national tender to provide administration, executive officer support and communications for the Agribusiness Association of Australia

9

Partnered with Department of State Development and Department for Communities and Social Inclusion to provide bushfire recovery assistance to victims of the Sampson Flat Bushfire

10

Successfully assisted eight clients with SA River Murray Sustainability Irrigation Industry Improvement Program (SARMS 3IP) applications despite only 21% of applications being successful

Successful appointment and transition of new Chief Executive Officer, Brett Smith with previous incumbent, Kay Matthias

Website visits increased by 89% compared to previous year

our strategic focus

Over the next five years Rural Business Support (RBS) will focus on five key areas as part of its strategic direction towards 2020.

- Build the presence and programs delivered within Rural Sustainable Business.
- Ensure that Rural Financial Counselling Services SA (RFCSSA) has a sound future beyond March 2015.
- Build strong effective working relationships and partnerships with key stakeholders, peers and industry groups.
- Continue to implement best practice governance and management.
- Ensure our staff have the required capabilities to deliver excellence in service.

our values

TRUSTWORTHY | We build trust with our clients and stakeholders by being timely, reliable and honest in all that we say and do.

RESPECTFUL | We treat all of our clients with respect. We value the role that they play and their diversity. We strive to be supportive and helpful.

ETHICAL | We are transparent, honest and confidential in all our dealings.

PROFESSIONAL | We strive for business excellence and high performance. We take pride in our work and deliver our best.

our measures of success

Over the next five years RBS will have:

- by July 2017, at least 30% of total revenue is generated by Rural Sustainable Business
- by July 2020, at least 50% of total revenue is generated by Rural Sustainable Business
- at least 90% of clients surveyed report a 'high' level of satisfaction with services provided through Rural Financial Counselling Service
- adequate funding to continue Rural Financial Counselling Services SA (RFCSSA).

Since its inception, Rural Business Support through its Rural Financial Counselling Service has assisted 6937 clients over 299 postcodes throughout South Australia with client hours reaching 97,200.

overview of the service

Rural Business Support (RBS) is a not-for-profit organisation based in South Australia (SA), formed in 2006 as part of the National Rural Financial Counselling network.

RBS incorporates the Rural Financial Counselling Service SA (RFCSSA) in South Australia and the Northern Territory and the Rural Sustainable Business Division.

RBS works closely with all of its clients to plan for the future, to be better prepared for climate variability and manage through periods of economic difficulties.

RURAL FINANCIAL COUNSELLING SERVICE SA (RFCSSA)

We provide independent, confidential and free financial counselling services that assist clients in managing change and adjustment.

Our services include:

- assessment of financial positions
- business analysis and development of financial and business options and action plans to assist with long term cash flow and viability
- assessment of climate change impacts on future business/s and risk management
- succession planning, and
- referral information and support.

RURAL SUSTAINABLE BUSINESS

We deliver projects and programs that support the development of competitive, profitable and sustainable primary industry businesses:

Our services include:

- training, education and mentoring
- strategic financial business management and studies
- developing leadership skills and capacity
- providing business support and project management services, and
- identifying and creating opportunities, partnerships and new business models.

PEOPLE AND CULTURE

We manage and foster our people, culture and organisation through the provision of high level governance, management, financial and corporate services.



our purpose

*we provide services and
independent support to the
primary industry sector to enable
them to manage change, risk and
business challenges*

our vision

*a competitive, profitable and
sustainable primary industry
sector*



report from the board chair

Rural Business Support (RBS) is a not for profit organisation based in South Australia (SA) committed to providing a unique service that responds to the changing face of agriculture.

Built on the foundations of the Rural Financial Counselling Service (RFCS), RBS is committed to providing new services which enable the primary industries sector to be competitive and sustainable.

Whilst the delivery of the Rural Financial Counselling Service Program in SA and the Northern Territory (NT) remains the core activity of RBS we are also focussed on supporting a sustainable and resilient primary industries sector.

We work with clients to enable them to manage change, risk and business challenges through the development of a range of partnerships with SA and NT Government agencies, primary industry associations and private consulting firms.

The RBS Board comprises eight members, each with expertise and networks in one or more areas of farming, fishing, rural business and agribusiness. All members of the Board bring a strong focus on corporate governance and business management.

During the past 12 months the Board met six times with the main focus areas being the succession of the Chief Executive (CE) pending the retirement of Kay Matthias (end of June 2015) and the implementation of the strategic plan – RBS Strategy 2020 which outlines our priorities to:

1. provide independent, confidential and free financial counselling services that assist clients in managing change and adjustment;
2. deliver projects and programs that support the development of competitive, profitable and sustainable primary industry businesses.

On behalf of the Board, I would like to acknowledge the significant contribution made by Kay Matthias as the CE of RBS over the past nine years.

Kay has provided outstanding service to primary producers in SA and NT, to her staff, to managers of Rural Financial Counselling Services across Australia and to the RBS Board. The Board wishes Kay all the very best for her future endeavours.

In June, the Board also welcomed Brett Smith as the incoming CEO. Brett has a passion for primary industries and has had extensive experience throughout the agribusiness sector.

Finally, I would also acknowledge the dedication, commitment and contribution by the staff in supporting primary producers, fishermen and small businesses in SA and NT.

It has been a privilege to be involved with RBS and to work with Kay and the Board members over the past year.

Over the coming year, I look forward to working with Brett and the Board, building on the achievements to date and to ensure that we continue to support a sustainable and resilient primary industries sector, providing services that are valued in a changing environment.

SHARON STARICK

Board Chair



Back row (L-R) Michael Blake, John Harvey, Peter Walker, Damian Fitzgerlad, Malcolm Pridham, Paul Mulraney Front row (L-R) Debra Ferguson, Sharon Starick, Kay Matthias



SHARON STARICK | Chair

A cereal and pork producer from South Australia, Sharon has combined primary production interests with conservation and natural resource management. Sharon has served on the Mallee Sustainable Farming Board, Pork Industry Development Board, Natural Resources Management Council and Community Advisory Committee for the Murray-Darling Basin Ministerial Council. She is currently the Presiding Member of the SA Murray Darling Basin Natural Resources Management Board and a director of Grains Research and Development Corporation, Animal Health Australia and Royal Automobile Association (RAA). She is a graduate of the Murray-Darling Basin Leadership Program and the Australian Institute of Company Directors Company Directors Course (AICD CDC).



PAUL MULRANEY | Deputy Chair and Public Officer

Paul was born at Booleroo Centre, grew up in Maitland and recently retired to Victor Harbor after a distinguished career in both the Australian Army and Australian public health administration. Paul holds a Bachelor of Commerce, a Master of Science (Defence Studies) and postgraduate management qualifications. He is a Certified Practising Accountant, a graduate of the Australian Institute of Company Directors Course (GAICD) and the Chairman of Defence Bank. Paul was awarded the Conspicuous Service Cross in 1993 for service to the Australian Army in the field of organisational development and implementation.



MICHAEL BLAKE

Michael is an Agribusiness Executive with extensive experience in international trading, as well as state, national and global agribusiness industries and government. His experience includes agricultural market intelligence, sales and marketing, exporting, market development, customer service as well as commercial and operational/business management. Michael is the Meat and Livestock Account Manager for PIRSA's Agriculture Food and Wine Division, he is also a Board member of the Agribusiness Association of Australia and a Graduate of the Australian Institute of Company Directors. He has previously worked for global traders Chargeurs, Elders and Adelaide based Michell.



DEBRA FERGUSON

Debra, along with her husband Andrew, own Ferguson Australia, a business providing premium quality Australian seafood to Australia and the world. They are the leading Australian harvester and exporter of Southern Rock Lobster, King Prawn and King Crab. Debra is the International Marketing Manager and has 30 years of practical experience in the seafood industry which includes business development, brand development, production and post-harvest management, bio security and incursion management.



DAMIAN FITZGERALD

Damian farmed for a number of years on the family's property at Cummins on Eyre Peninsula before studying law at Adelaide University. He maintains a close link with the farming community through his family and his own farming interests. Damian is the General Counsel for Viterra and Glencore Grain and Company Secretary for Viterra Pty Ltd and its various subsidiaries in Australia and New Zealand. He is a Fellow of both the Australian Institute of Company Directors and the Institute of Chartered Secretaries and Administrators. He has been appointed to the Corporations Committee (SA Division) of the Law Council of Australia and is a member of the Australian Corporate Lawyers Association, the Law Society of South Australia and the International Bar Association.



JOHN HARVEY

John is Managing Director/Owner of Bathe Wines and has a broad knowledge of the Australian wine industry through his current positions as Chair of the Adelaide Hills Wine Region, Member of the South Australian Wine Industry Association Executive, Director of the Australian Wine Research Institute and previously as Executive Director, Grape and Wine Research Development Corporation (GWRDC). John demonstrates strategic leadership and has a strong understanding of rural communities and agribusiness, governance and community engagement. He holds a number of other Non-Executive Board positions within the private and NFP sectors. John is a graduate of the Australian Institute of Company Directors, has a Master of Business Administration, as well as a BSc (Hons) and PhD from the University of Adelaide.



MALCOLM PRIDHAM

Malcolm is a highly experienced banker with close to 40 years banking experience, including his current role as Regional Agribusiness Manager, South Australia, National Australia Bank. He has lived and worked in many locations across the State and has strong skills in strategic planning and business development. Malcolm was brought up on the family farm on Yorke Peninsula and has a strong understanding of rural SA and continues to be involved in family farming operations in the South East. Malcolm has a Diploma in Rural Business Management, is a graduate of the Australian Institute of Company Directors, a member of the Agribusiness Association, Ag Institute of Australia and SA Rural Media Association and is a SA Justice of the Peace.



PETER WALKER

Peter is a horticulturist based in the Riverland and has long-term experience as a Chairman and Director on a number of agricultural, seafood, government and public companies, including the Citrus Industry Development Board and the Horticultural Research and Development Corporation. In partnership with his wife, Carole, he produces citrus as well as operating a management company for owner investors producing citrus. Peter is a Fellow of the Australian Institute of Company Directors and holds an Advanced Diploma in Rural Business Management and an Advanced Diploma in Horticulture.



TANIA SARGENT | Independent Member Of The Audit Risk & Compliance Committee

Tania Sargent is a Principal Advisor at Xacumen, a business advisory firm providing specialised mentor services for small and medium size business owners. In her role on the Committee, Tania provides additional certainty and accountability to stakeholders and funding partners in the acquittal of RBS program funds.



report from the chief executive

I commenced as Chief Executive Officer in July 2015 replacing Kay Matthias who was in the position for nine years. Kay has done a tremendous job of successfully managing, not only the Rural Financial Counselling Service (RFCS) but also introducing Rural Sustainable Business (RBS) which looks at programs and projects that support the development of competitive, profitable and sustainable primary industry businesses.

My background is as an agribusiness executive with a strong focus on sales, marketing and business development. I have held senior positions with agricultural supply businesses such as Orica (Cropcare), Incitec (Incitec Pivot), Elders and Penrice. I have over 15 years' experience working "on farm" with primary producers providing face to face information on improved agronomic principles and productivity improvements across all farming sectors.

This year South Australian primary producers have once again experienced a challenging and mixed start to the season preceded by a dry spring, summer heatwaves and untimely rains. Many of the traditional higher rainfall regions are experiencing quite a reduction in rainfall. However we had an above average grain harvest which has seen their

best annual financial returns in more than three decades. Favourable cropping conditions and near-record winter grain yields along with solid returns for livestock have been met with good demand. In some cases, the recent prices for wool and beef have seen some of the best returns for producers. However it hasn't been the same for the horticultural and grape sector who unfortunately continue to experience challenging times.

The State had another harrowing start to the year with bushfires and we have assisted in the Sampson Flat Bushfire Recovery Program by working with not only businesses but individuals that have needed help with referrals and dealing with insurance companies and banks.

The 2015 Client Satisfaction Survey results are very high which is testament to the professionalism and dedication of the RBS team when working with clients, who at times, are experiencing very difficult circumstances. Industry standards specify that overall satisfaction rates of 90%+ are considered best practice and a high level of satisfaction equates to a high level of advocacy which is confirmed in the RBS survey results. Percentage of referrals (35% friend/ acquaintance; 13% Centrelink/government agency; 10% bank). The average overall satisfaction of not-for-profit organisations is around 75-80%.

The overall level of satisfaction with our Rural Financial Counselling Service is 90%.

Over the last financial year we have assisted 586 clients with 94 of these being new clients to the Rural Financial Counselling Service.

The Federal Government's announcement to increase funding to expand the rural financial counselling service was welcomed. For our State that meant an additional Rural Financial Counsellor to meet the increased demand during the very dry season.

We also received additional funding for a part-time Rural Financial Counsellor to work in the Northern Territory which is encouraging, however we still see the need for a permanent position and we will continue to negotiate at both a State, Territory and Federal level.

A recent Cost Benefit Analysis of the Rural Financial Counselling Service program was undertaken for the organisation which clearly demonstrated the significant economic return that RFCS provides. The non-economic benefit was also consistent with the findings from the client survey in that clients feel better about themselves and their future and better equipped to handle future challenges.

The recently released Agricultural Competitiveness White Paper was good news for farmers with reduced interest rates for those receiving concessional drought support loans.

Other key points were an extra \$2.75b for drought loans over the next 11 years; \$500m for the National Water Infrastructure Fund; \$200m to improve biosecurity surveillance; and a \$100m extension of the Rural R&D for Profit Program as well as over \$220m in drought support programs in addition to \$2.75b in drought concessional loans.

The appointment of a Business Development Manager last year has seen an increase in work for RBS's Rural Sustainable Business (RSB) Division which complements the RFCS by offering a range of support measures to primary producers and the industry.

Through two Government of SA department's we have been assisting businesses with one-on-one case management and disaster recovery plans after the Sampson Flat Bushfire. With recent rains there is some greening of that area, however there is still a lot of work to be done before the community gets back on their feet.

We have received a \$300K grant from the Government of SA, through PIRSA to roll out financial literacy programs for primary production in SA.

RBS were successful, through the SA Murray Darling Basin Natural Resource Management (SAMDB NRM) in commissioning a \$25,000 pilot program to assist farming family businesses establish an advisory board which will assist in better business practices which in turn will include better environmentally sustainable practices.

We continue to provide through Centrelink, a prescribed adviser service to primary producers who required a Farm Financial Assessment as part of the Farm Household Allowance (FHA).

We were very pleased to hear that through the SA River Murray Sustainability Irrigation Industry Improvement Program (SARMS 3IP) that out of the 21% of successful applications, that two were assisted through RBS's Rural Sustainable Business Division, with a further six applications through RSCS which is an excellent outcome.

Through Rural Sustainable Business (RSB) we have secured contracts to undertake administration, executive board support, finance and communications functions with both the state-based Agricultural Bureau of SA and the Agribusiness Association of Australia (national organisation).

RBS is in great shape and we have some real opportunities to extend our product and services to our rural based constituents. We will continue to work closely with all of our clients to plan for the future, to be better prepared for climate variability and manage through periods of economic difficulties.

Building on the solid foundation that exists within RBS, the key areas that I will continue to focus on are staff, stakeholders, funding and strategy. In the short term and with current funding extended until the end of March 2016. My main focus will be ensuring that we submit a strong case in our proposal to continue offering the Rural Financial Counselling Service in SA.

We will also continue to negotiate with funding bodies to roll out the financial literacy program as well as other projects that will assist primary producers to better plan for their future.

BRETT SMITH

Chief Executive Officer



our people



KAY MATTHIAS

Chief Executive
(until June 2015)



ANDREW WILSON

Operations Manager
(until September 2014)



BRETT SMITH

Chief Executive Officer
(commenced July 2015)



JOHN CHRISTENSEN

Farm Business Consultant
(commenced September 2014)



NIGEL ROBINSON

Business Development Manager



JULIE ARBERY

Executive Assistant



ANDREW ADAMSON

Business Manager



JODIE HAUSLER

Executive Assistant
(until December 2014)



SUE ROGERS

Communications Manager



DI BRADOCK

IT Officer



KAREN NANGLE

Administration
(January - June 2015)



GRANT CRETTENDEN

Rural Financial Counsellor



RITA PERRE

Rural Financial Counsellor



CHRIS FITZGERALD

Rural Financial Counsellor



DEB PURVIS

Rural Financial Counsellor



KIRSTY FLOWER

Rural Financial Counsellor



JOHN WHITE

Rural Financial Counsellor



JUDY GOEDECKE

Rural Financial Counsellor



ANDREW WILSON

Rural Financial Counsellor
(until September 2014)



CHARLIE GOODE

Rural Financial Counsellor



LLOYD WRIGHT

Rural Financial Counsellor



PAULA KELLY

Rural Financial Counsellor

our people

*our people are adaptable
and responsive to the needs
of our clients and our success
is based on the ability to be
innovative and actively seek out
opportunities and partnerships*

rural sustainable business

Over the past year, RBS have completed a number of programs for South Australia's rural sector.

CASE STUDY

1

SA River Murray Sustainability Irrigation Industry Improvement Program (SARMS-3IP)

Grants through the Australian

Government were offered to primary producers with Class 3 water entitlements to assist in building strong and sustainable irrigation communities that will help secure water resources needed for a healthy environment and a prosperous state. These primary producers were able to apply for projects that would achieve improvements in irrigation farming infrastructure, business practices and operations and to be prepared for the challenges presented by future climate change and changed River operations as a result of implementation of the Basin Plan.

The Program will contribute to the return of 40 gigalitres of water to the river system by providing avenues to return water at market price or through irrigation efficiency improvements.

- RBS services included:
- project scoping, planning and analysis
- risk assessment
- financial impact analysis
- 5 year cash flow development budget
- preparation of applications
- post application support

Only 21% of applications received were successful with Rural Sustainable Business assisting two of those applicants and with a further six applications through RSCS.

CASE STUDY

2

Prescribed Adviser

A new Prescribed Adviser Service was introduced for those primary producers who receive Farm

Household Allowance.

As part of the eligibility criteria, recipients need to complete a Farm Financial Assessment and staff worked face to face to ensure all the necessary documentation was presented accurately and on-time.

RBS services included:

- identifying personal and enterprise financial position
- identifying the contributors of financial hardship
- reviewing the strengths and weaknesses of enterprises including business structure
- assisting with the provision of information to improve financial security.

CASE STUDY

3

Financial Literacy

With a recent funding grant of \$300,000 from the Government of South Australia through Primary

Industries and Regions SA (PIRSA), RBS will roll out a Financial Literacy pilot program to SA's rural sector.

The program, aimed at middle-ground farmers in South Australia who are willing to adopt best practice and production to grow their business, will see an economic benefit to families, local communities as well as to the state and across Australia.

RBS continue to work with primary producers to enable them to manage change, risk and business challenges and primary producers will be assisted through improved financial knowledge giving them the skills to be better informed and to make better business decisions.

The program will include the use of new learning tools and on-farm support to enhance financial literacy as well as industry consultation and a strategic finance review.

Assistance with the preparation of strategic action plans will also assist with securing lending finance which will improve overall business management.

Along with the support of the Government of South Australia, the program has been widely endorsed from local and national industry groups.

goal

beneficial partnerships enabling the delivery of programs and projects which build the primary industry sectors ability to be profitable, sustainable and embrace opportunities



rural financial counselling service

Operations

A run of good cropping seasons from 2010 through 2014 has resulted in a decline in client numbers in South Australia which is good news for SA's primary producers. This has allowed rural financial counsellors to work more intensely with clients on planning for the future, implementing risk management strategies and preparing for potential economic downturn or climatic events.

Rural financial counsellors worked with 586 unique clients over the past financial year with client assistance hours continuing in an upward trend over the past years post drought.

The Riverland remains the region with the highest number of RFC clients largely due to the small horticultural and viticultural businesses who are facing poor commodity pricing which has been a result of a 'glut' in wine grapes and the increasing costs of production. Most producers in the Riverland are reliant on irrigation water from the Murray Darling Basin catchment which is undergoing severe rainfall deficiencies. The demand for RFC services in this region is expected to remain high, with potential for a growth in client numbers as concerns grow over access to water.

Other regions experiencing higher demand for assistance include the South East, the Mallee and Kangaroo Island which are also experiencing severe rainfall deficiencies. The South East in particular recorded the lowest rainfall on record for the 12 months to 30 June 2015. Livestock and cropping enterprises in this region are dependent upon reliable high rainfall to generate enough income to cover the debt and interest on their highly geared land values. Lack of cash flow has been a major cause of difficulty in the region.

The cattle and livestock industries in the South East have been most affected by lack of rainfall with a lack of pasture feed. Some producers elected to buy in supplementary feed at high prices to feed their stock. Others elected to sell underweight stock at depressed prices which has resulted of an unwillingness from some banks to provide finance to purchase fodder. The recovery in cattle prices in early 2015 was of no benefit to those who had already sold their stock.

The 2014 cropping season ended with higher than expected yields. The season commenced with good subsoil moisture providing enough for most to survive through a very dry finish.

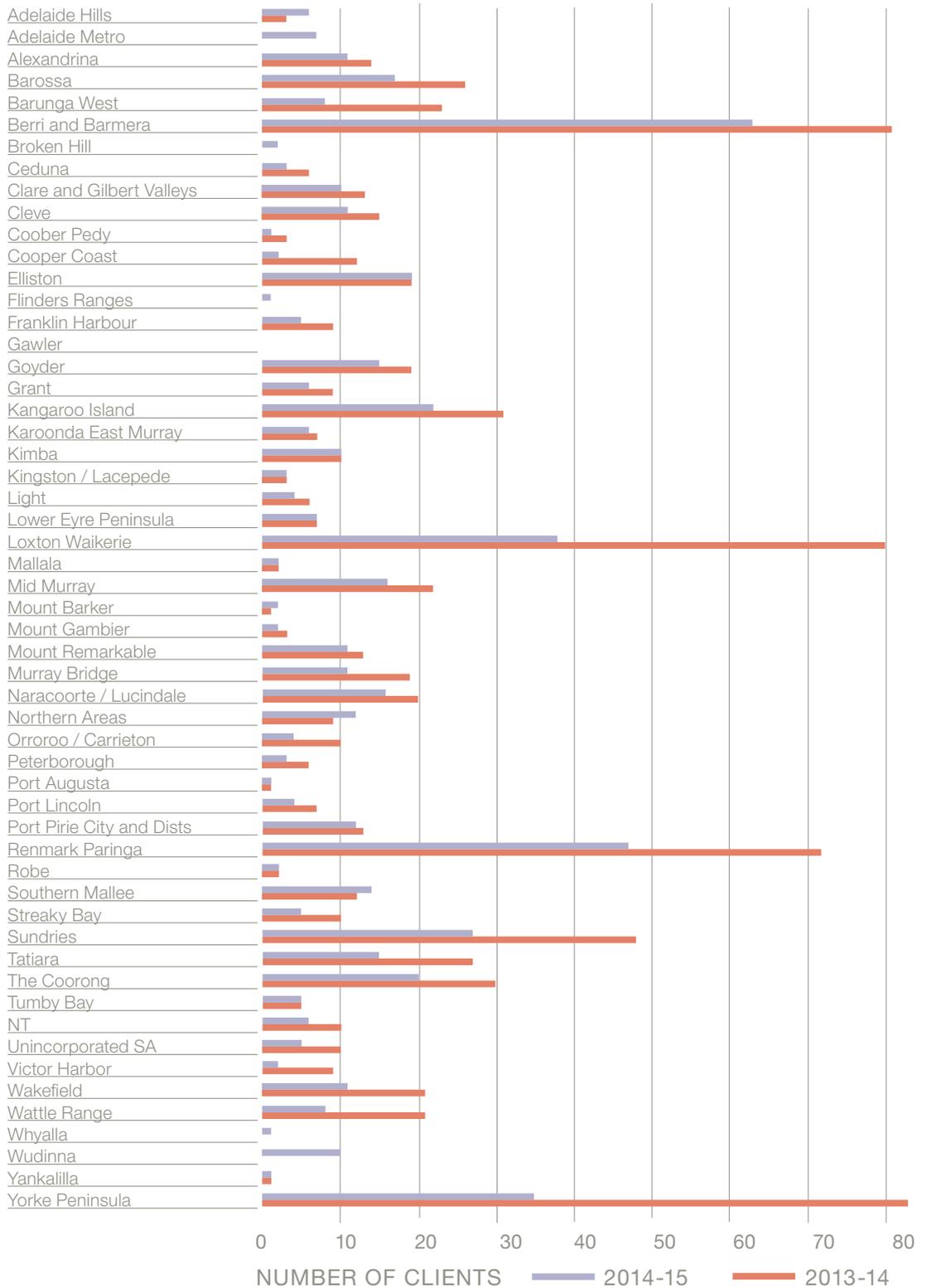
Canola crops were below expected yields with some producers struggled to cover the full costs of inputs with the amount of urea applied. The 2015 cropping season had a drier than expected start, however to date has received enough rainfall for croppers to remain optimistic for a good season.

The Farm Household Allowance has generated a large amount of work for rural financial counsellors.

The Interim Farm Household Allowance (IFHA) announced in February 2014 produced a severe spike in client numbers and assistance hours. The transition to Farm Household Allowance (which commenced 1 July 2014) also generated a high demand for RFC assistance. Clients experienced significant delays and difficulties accessing this income support. As a result, assistance with Centrelink claims generated the highest number of client assistance hours for the financial year.

Rural financial counselling support was also provided to the Northern Territory for the six months to December 2014 on a fly-in/fly-out basis.

CLIENTS BY LOCAL GOVERNMENT AREA





our clients

*we support the primary industry
sector which encompasses
primary producers, fishers,
rural businesses and industry
organisations*

Photograph: Nick Clayton

CASE STUDY

1

Over the past few years the Rural Financial Counselling Service have aided Mary's viticulture business in the Riverland region to become more resilient to future shocks.

Fluctuating weather conditions meant

Mary had to deal with high unseasonal disease pressure and plant replacement. At a time of declining grape prices she found that these pressures put her business in an unsustainable financial position.

RFCS were able to assist Mary access financial help and manage her debt. Through this process they were also able to demonstrate opportunities that she didn't realise were available.

“It is invaluable to have help over a hard period. RFCS made such a difference financially. It has helped me pay back a loan and cover other costs. RFCS are user friendly and remove the stress involved. They provide a service that would be unaffordable through an accountant.”

RFCS assisted Mary in obtaining Drought Assistance and talked her through the application assistance she required. After an assessment of Mary's business she discovered she qualified for an Australian Government grant through the SA River Murray Sustainability (SARMS) Program. Mary was unaware these grants were available and the opportunities her business was eligible for.

With the SARMS grant, Mary was able to upgrade her irrigation systems to drippers. A more efficient watering system has reduced her water demand for the vineyard. The reduction in water use means Mary has cut her water costs and her business is impacting the environment less.

Access to grant funds has allowed Mary to put to use the funds she had set aside for irrigation upgrades. This has helped to stabilise debt and develop other areas of infrastructure, thereby improving the productivity of her business.

Mary is noticing the difference through the 2015 vintage. She is currently harvesting this year's crop with steady yields and sustainable irrigation levels.

Engaging with the RFCS has given Mary a broader perspective of the viticulture industry. She has been able to get information from beyond her own business to look at the entire industry and the opportunities available. Mary is now planning for the future and identifying ways to grow her business beyond 2015.

“The real benefit is being able to talk over industry issues and receive help with the organisation. Without the assistance from the RFCS we would have missed out on opportunities that are helping us today.”

CASE STUDY

2

In a period of hardship, access to the Rural Financial Counselling Service has provided Walter with the means to address the impacts on his business and improve his financial practices.

Across several seasons Walter's cereal property on the Eyre Peninsula experienced poor farming conditions which directly impacted his crop yield.

Unfortunately, these conditions coincided with poor commodity prices placing the business into an unsustainable financial position. The RFCS assisted Walter to access financial support and develop a stronger financial business arrangement. With less focus on daily financial survival, Walter has been able to implement plans that focus more on the future of the business.

“Assistance from the RFCS to apply for the Farm Household Allowance has relieved pressure on daily household expenses. RFCS assistance with Business Analysis and Planning promoted the review of business borrowing and debt restructuring making everything easier to manage.”

RFCS assisted Walter to review his current financial situation and the structure of his business. After receiving information on lending and financial services, Walter was able to restructure his loans and source better bank financing.

Through the business analysis Walter was also able to review his enterprise mix, including the expenses associated with each crop and his current crop plan. Canola was not germinating when planted and large amounts of seed were going to waste. After identifying various crop scenario improvements, Walter replaced Canola with Lupins.

The Lupins have had a direct impact on the cash income of the business. Although the price of the grain is often lower, compared with other pulses, it has a positive impact on the yields of the other cereal crops in the rotation. Walter has noticed that the Lupin crops have increased the availability of soil nitrogen resulting in improved crop rotations and better disease control.

Walter harvested his first crop of Lupins in 2012 and is continuing to use it in his crop rotation.

Being a crop with a lower production risk he has found it easier to manage which has meant he can increase focus on other areas of the business. He is now making sure the business is stronger and more sustainable for the future.

“RFCS understood we needed an immediate plan that would maximise our cash flow. Support from an independent person, instead of a bank, relieved the stress we felt. I'm more confident now with our immediate plans and moving forward.”

97% of rural financial counselling clients agreed that the rural financial counselling service is critical to rural communities



summary financial report

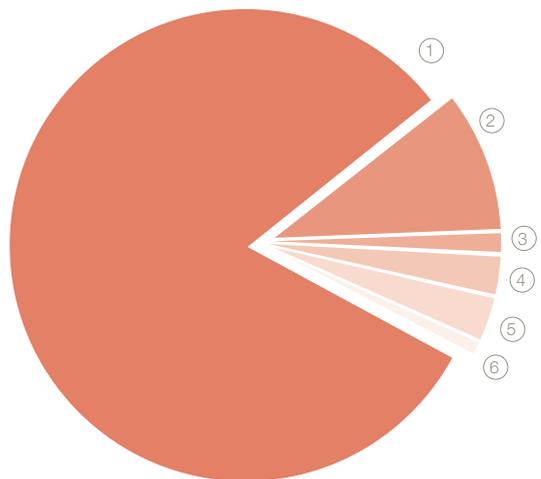
The Australian and South Australian Governments provided the majority of income received in 2014/5, being grant funds for the Rural Financial Counselling Service Programme (2015: 93%; 2014 96%).

Income from the Rural Sustainable Business division grew substantially on previous years, with income from executive services provided to the Agricultural Bureau of SA and a new agreement with the Agribusiness Association of Australia. Farm business consultancy work (Prescribed Advisor and Irrigation Industry Improvement Program consulting) contributed an additional source of income.

The majority of funds were expended on employment related costs to deliver the services of the RFCS Program. Vehicle costs and office accommodation costs were other significant expenditure items.

RURAL BUSINESS SUPPORT INCOME 2014/15

- 1 RFCS Program (Aust and SA Govt) **82%**
- 2 NT RFCS Trial (Aust and NT Govt) **1%**
- 3 Farm Business Consulting **3%**
- 4 Executive Service Agreements **3%**
- 5 Other Income **1%**





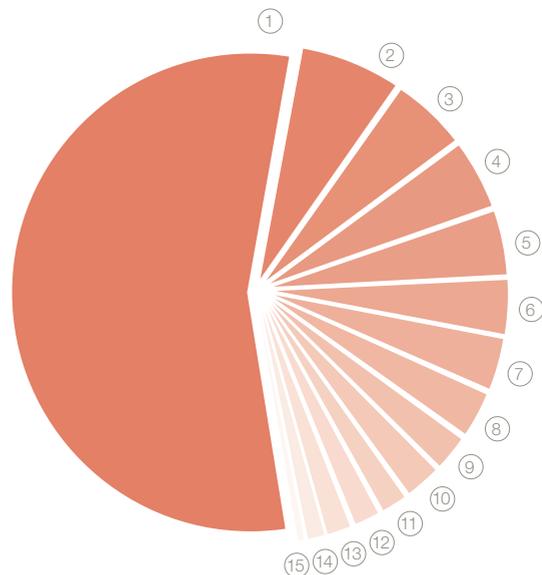
Sustainable Business Development costs relate to work undertaken to develop a farm financial literacy program to build the capacity of primary producers for sustained economic development and growth.

The RBS Balance Sheet remains in a healthy position, with an accumulated surplus of \$438,303.

A copy of the audited financial statements is available upon request.

RURAL BUSINESS SUPPORT EXPENDITURE 2014/5

- 1 Employment Related Expenditure 55%
- 2 Office Accommodation 7%
- 3 Motor Vehicle Running Costs 5%
- 4 Sustainable Business Development 5%
- 5 Board Costs 4%
- 6 IT & Communication 4%
- 7 Farm Business Consulting 4%
- 8 Depreciation 3%
- 9 Executive Servicing Costs 3%
- 10 Administration 3%
- 11 Marketing and Promotions 2%
- 12 Other Costs 2%
- 13 Staff Professional Development 2%
- 14 NT RFCS Trial Costs 1%
- 15 Community / Regional Forums 0%



our locations

Head Office

555 The Parade, Magill SA 5072

1

2

3

3

4

2

6

5

6

6

Regional Offices

1

EYRE PENINSULA

Western, Central & Lower

Chris Fitzgerald
0438 817 503

Eastern & Upper North

Paula Kelly
0427 430 248

2

YORKE PENINSULA & ADELAIDE PLAINS

Judy Goedecke
0418 856 267

3

BAROSSA & MID NORTH

Deb Purvis
0427 430 244

4

RIVERLAND

Rita Perre
0437 321 107

Riverland and Pastoral

Lloyd Wright
0428 849 950

5

MURRAY & MALLEE

Sara Pixley
0448 092 294

6

ADELAIDE HILLS, FLEURIEU PENINSULA & KANGAROO ISLAND

Susan Lee
0477 747 765

7

SOUTH EAST

Charlie Goode
0417 816 826
Lachie Hood
0439 286 550



RURAL BUSINESS SUPPORT

Freecall 1800 836 211 | www.ruralbusinesssupport.org.au

Supported by the Australian Government and the Government of South Australia