



**RURAL BUSINESS  
SUPPORT**

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

year in review  
2013-2014  
highlights

# achievements

## Top 12 highlights

1

Focus on preparing primary producers for drought and adverse business conditions through building capabilities to manage risks

2

Assisted 884 Rural Financial Counselling Service clients (an increase of 382 from previous year)

3

95% of rural financial counselling clients were extremely satisfied with the level of service

4

96% of clients recommend seeing a Rural Financial Counsellor

5

Continued to work in the Northern Territory and services extended to end of 2014 to offer rural financial counselling assistance to cattlemen, fishermen and growers in the horticultural sector

6

Staff retention 100% and employed two contract rural financial counsellors

7

Staff continue to build skills and capabilities through training forums and study undertaken for the Advanced Diploma in Agribusiness

8

Additional board member appointed with specific skills in business development

9

Successful tender to work with the Agricultural Bureau of SA to provide administrative, project and business services support for the Advisory Board of Agriculture

10

Website visits increased by 7.5% compared to previous year

11

Specific promotional material produced for bushfire victims, fishing industry and Northern Territory primary producers

12

Sponsorship of Rural Media SA's *Rural Media Awards* which recognise SA rural journalists and photographers who have demonstrated sustained commitment to rural issues and people in South Australia

# 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 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 measures of success

Over the next five years RBS will have:

- By July 2015 at least 4 Rural Sustainable Business projects/programs have been completed
- 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.
- Adequate funding to continue Rural Financial Counselling Services SA (RFCSSA) from 2015-2020.

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# 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.

*Since its inception, Rural Business Support through its Rural Financial Counselling Service has assisted 4,114 farming enterprises over 267 postcodes throughout South Australia with client hours reaching 54,268 hours*



## *our vision*

*a competitive, profitable  
and sustainable primary  
industry sector*

# 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.

A scenic view of a rocky coastline. In the foreground, there is a grassy slope with some white flowers. The middle ground shows a dark, rocky shoreline meeting the blue ocean. In the background, a larger rocky cliffside is visible under a clear blue sky.

## *our purpose*

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

# 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, RBS has expanded its role to form strategic partnerships which enable the primary industries sector to be competitive and sustainable.

The delivery of the Rural Financial Counselling Service Program in SA and the Northern Territory (NT) remains a core activity of RBS. However, RBS also aims to support a sustainable and resilient primary industries sector 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. Last October, the Board welcomed continuing members Paul Mulraney, Peter Walker and Malcolm Pridham and newest member to the Board, Dr John Harvey who brings sound business development skills.

During the 12 months to June 2014, the Board met six times with the major focus on the finalisation of the strategic plan – RBS Strategy 2020 which outlines our priorities of:

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

We also presented a submission on the Agricultural Competitiveness White Paper and took part in the National Rural Advisory Council's (NRAC) review of the Rural Financial Counselling Service Program.

On behalf of the Board, I would like to acknowledge Kay Matthias as the Chief Executive Officer, RBS who has continued to provide an 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.

It was wonderful to see Kay named in the inaugural Women of Australian Agribusiness Top 100 which promotes the vital role of women in senior positions who support rural communities and family farming enterprises.

I would also acknowledge the dedication, commitment and contribution by the staff in supporting primary producers 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. I look forward to continuing to work closely with the Board and Kay to ensure that we continue to support a sustainable and resilient primary industries sector.

**SHARON STARICK**  
**Board Chair**



## 2013/2014 board members



**SHARON STARICK** | Chair

A cereal and pig producer from South Australia, Sharon has combined primary production interests with conservation and natural resource management (NRM). Serving on several regional, state and national Boards (grains industry, livestock industry and NRM) Sharon is also a graduate of the Murray-Darling Basin Leadership Program and the AICD CDC.



**PAUL MULRANEY** | CSC, Deputy Chair and Public Officer

Paul grew up in Maitland and has retired from the Australian Army and public health administration. Paul holds a Bachelor of Commerce, a Master of Science and postgraduate management qualifications and is a certified practising accountant. Paul was awarded the Conspicuous Service Cross (1993) for service to the Australian Army.



**DAMIAN FITZGERALD**

Damian farmed at Cummins on the Eyre Peninsula before studying law at Adelaide University. He is an experienced legal practitioner and is Director Legal and Company Secretary for Viterra. Damian is a Fellow of the AICD and the Institute of Chartered Secretaries and Administrators and is a member of several law associations.



### **MALCOLM PRIDHAM**

Malcolm is originally from Yorke Peninsula with current family farming connections in the South East. As Regional Agribusiness Manager, South Australia, National Australia Bank, Malcolm has over 40 years banking experience with strong skills in strategic planning and business development. He holds a Diploma in Rural Business Management and is a graduate of the AICD and a member of several associations.



### **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. Peter is a Fellow of the AICD and holds an Advanced Diploma in Rural Business Management and an Advanced Diploma in Horticulture.



### **DEBRA FERGUSON**

Debra is the International Marketing Manager of Ferguson Australia, a business which she owns with her husband. They provide premium quality Australian seafood to Australia and overseas. Debra has over 30 years of practical experience in the seafood industry and is currently on a number of committees and boards including the SA Seafood Strategy Working Group and Fisheries Council.



### **MICHAEL BLAKE**

Michael is the Meat and Livestock Account Manager with PIRSA and has extensive experience in international trading as well as farming industries. Previously employed by Michell Wool, Chargeurs and Elders, Michael has experience in sales and marketing, export, market development and business management.



### **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 SA Wine Industry Association Executive, Director of the Australian Wine Research Institute. John demonstrates strategic leadership and has a strong understanding of rural communities and agribusiness, governance and community engagement.



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

Tania Sargent is a Principal Advisor at Xacumen, a business advisory firm. Tania provides additional certainty and accountability to stakeholders on the Board and funding partners in the acquittal of RBS program funds.



## report from the chief executive

This year South Australian broad-acre farmers had 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. Great opening rains have put the State off to a good start to the current season.

However, the start to the season was impacted by bushfire, drought in the Rangelands and the Riverland fruit fly outbreak. The bushfires were significant and burnt large areas of land particularly in the Mid North with many properties still recovering. When areas of the State are affected by such severe conditions as bushfire, it is crucial that RBS is there to support those suffering hardship.

The number of Farm Finance Concessional Loans in South Australia has been very low in comparison to the other States which has been disappointing. SA's Northern Pastoral area was recognised for drought assistance during the year.

Rural Financial Counsellors have continued their work with clients who qualify for the Farm Household Allowance in partnership with Centrelink. There has been an increase in enquiries from farmers on the Yorke Peninsula, Eyre Peninsula and in the South East on the financial implications from mining and gas exploration in their regions.

Financial hardship can be a major contributor to poor mental health and staff see firsthand the results from the lack of mental health services in rural and remote areas. This is such an important issue and we will continue to seek additional support for the provision of more mental health funding.

Over the past year, some primary producers in the Riverland experienced a sudden decrease in their family finances due to the end of a regular Centrelink income support payment. Berri staff were kept busy with appointments as well as an increased workload due to Round 1 applications for the SA River Murray Sustainability Irrigation Industry Improvement Program (SARMS-3IP).

Our work continued in the Northern Territory with an extension of the service continuing until December 2014. Charlie Goode, Rural Financial Counsellor from the South East spent nine weeks in the NT which included five trips to the Top End and two to Alice Springs. Clients are still predominantly cattle producers although there has been an increase in enquiries from the horticultural industry.



Charlie also assisted the Department of Primary Industries on the design of the NT Farm Finance Concessional Loan application form which is a great endorsement for Charlie and RBS.

It has been ten years since the last formal review of the nation-wide service with a recent review being conducted by the National Rural Advisory Council (NRAC). The review will assess the need and awareness of the Rural Financial Counselling Service program, its effectiveness, current structure and its future role.

From a State point of view I would like to sincerely thank staff and clients for their input into the review process which was very well received by the panel. It was rewarding to hear clients praise the exemplary level of service and professionalism of the organisation.

It has been a difficult year for a number of staff due to family bereavement and illness. Chris Fitzgerald, rural financial counsellor from the Eyre Peninsula tragically lost her son due to a health condition earlier in the year.

I would like to sincerely thank the team for their willingness to step-up when required, to cover workloads ensuring clients continued to be provided with a professional and timely service.

Several new publications were added to the suite of promotional material that targeted bush fire victims across the State, the fishing industry and the NT as well as the new strategic direction for the organisation (RBS Strategy 2020) which outlines the key functions, goals/outcomes, focus and measures of success.

Regular contact with industry groups in SA and NT have seen articles featured in their regular member e-news distribution and included on social media.

Regular electronic newsletters are distributed to clients, stakeholders and staff and I'd like to thank the media, who continue to support us in getting our message out to rural and farming communities.

It is a pleasure to work for such an outstanding organisation and I would like to thank Board members for their continued support. Thanks are also extended to the wonderful staff who provide an outstanding service to our clients and a special mention to my Executive Assistants, Julie and Jodie for their ongoing assistance.

Our organisation is built on a team of people who are adaptable and responsive to the needs of our clients. We know that our success is based on our ability to be innovative and actively seek out opportunities and partnerships to deliver on our outcomes.

RBS is fully committed to developing services that reflect the needs of rural and regional businesses and communities and we look forward to our continued work with you in supporting a profitable, sustainable and resilient primary industries sector.

I look forward to leading our outstanding organisation for another year.

**KAY MATTHIAS**  
Chief Executive

# our people



**KAY MATTHIAS**

Chief Executive



**JULIE ARBERY**

Executive Assistant (part-time)



**ANDREW ADAMSON**

Finance Manager



**JODIE HAUSLER**

Executive Assistant (part-time)



**ANDREW WILSON**

Operations Manager



**CHRISTINE MCINNES**

Receptionist/Administrative Officer



**SUE ROGERS**

Communications Manager



**DI BRADOCK**

IT Officer

## *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*



**JOHN CHRISTENSEN**  
Rural Financial Counsellor



**PAULA KELLY**  
Rural Financial Counsellor



**GRANT CRETTENDEN**  
Rural Financial Counsellor



**RITA PERRE**  
Rural Financial Counsellor



**CHRIS FITZGERALD**  
Rural Financial Counsellor



**DEB PURVIS**  
Rural Financial Counsellor



**KIRSTY FLOWER** (CONTRACT)  
Rural Financial Counsellor



**JOHN WHITE** (PART-TIME)  
Rural Financial Counsellor



**JUDY GOEDECKE**  
Rural Financial Counsellor



**ANDREW WILSON**  
Rural Financial Counsellor



**CHARLIE GOODE**  
Rural Financial Counsellor



**LLOYD WRIGHT**  
Rural Financial Counsellor



# rural sustainable business

## goal

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

Over the past year, RBS were successful in their tender to undertake a new role with the Agricultural Bureau of SA. Professional services in administration, financial and communications have been provided to the Advisory Board of Agriculture (ABA).

## CASE STUDY

The Agricultural Bureau of SA has a rich heritage and long history of representing the interests of SA's primary producers and promoting excellence in agricultural pursuits. The Advisory Board of Agriculture provides strategic leadership to the Ag Bureau of SA through a network of 70 regional branches around the state.

There are several synergies that exist between the visions and purposes of RBS and the ABA. Both organisations exist to provide support to the agricultural industry in SA and share a common set of stakeholders.

With a strong governance model RBS has been able to ensure a full time presence for the ABA at their Magill head office. A team approach makes use of the finance, communications, HR, event management and operational expertise of the senior management team.

RBS's well-established policies and procedures in financial reporting have reduced ABA's exposure to some finance and industrial relations risks.

With RBS effectively managing all operational facets of the ABA (administrative, project and business services support) has allowed the board to focus on the strategic matters at hand and provide information and advice to its stakeholders.

RBS's Chief Executive, Kay Matthias attends board meetings and provides regular updates and feedback to the ABA.

Last year, the Ag Bureau of SA commemorated 125 years and the team at RBS were able to co-ordinate and successfully event-manage the celebratory dinner which was held in Adelaide for 130 guests. Highlights included the announcement of the Spirit of Excellence in Agriculture Award recipients and a cake cutting ceremony by the youngest and oldest bureau members in attendance.



# rural financial counselling service

## Operation

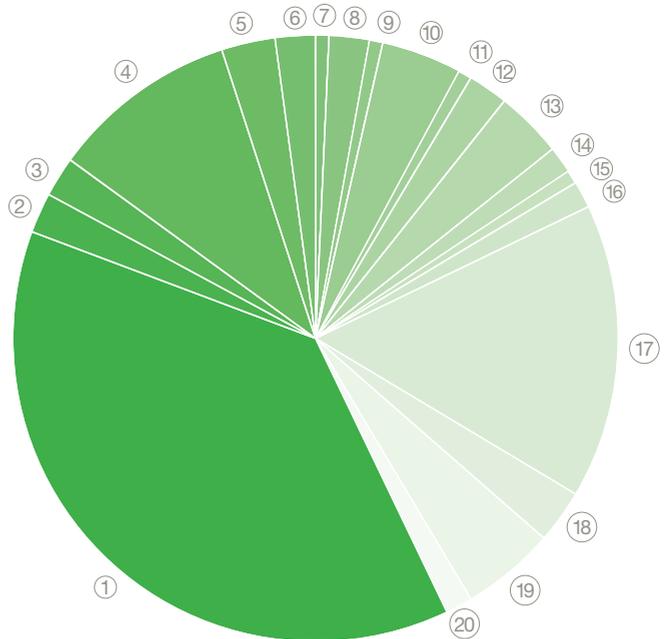
The 2013 season produced average to above average winter rainfall which set the state up with healthy winter crops and plentiful feed for livestock producers in the state. Grain producers had an above average crop whilst sheep and beef producers had livestock in good conditions however prices were impacted by large numbers on the market due to the drought in the eastern states.

Frost and wind damage were seasonal issues however dry conditions were not an issue for SA except in the north east corner of the state where drought conditions were problematic during the year.

Wine grape producers received reduced prices for their 2014 vintage whilst the citrus industry saw a recovery as interest in new varieties of citrus improved market access and prices. The almond industry saw improved prices after many years of depressed offerings for their product.

Government assistance changes saw the completion of the Transitional Farm Family Payment and the creation of the Interim Farm Household Allowance for farmers struggling with the day to day costs of living. Farm Finance concessional loans were made available to farmers state wide however eligibility of SA farmers proved difficult while development grants were popular amongst irrigators along the Murray as they applied for the SARMS program.

Early 2014 saw the bushfire season peak with the Bangor fire burning for many weeks requiring huge efforts to from volunteers to contain and causing much damage in the Flinders Ranges. Other fires were experienced in the Murray Mallee and Eastern Mount Lofty Ranges.



## CASE STUDY

Peter and Louise were grape growers located near the Murray. Having run their business independently for over 15 years, the couple first sought assistance from Rural Business Support when a life threatening illness affected a direct family member and their financial situation became uncertain. Their effort in caring for their family member meant that they no longer had the time to focus on running the day to day operations of their farming business. Their lack of focus on the business had a dramatic impact on block production and plant health. Following two poor seasons, Peter and Louise were struggling to pay bills and their bank was putting pressure on them to reduce debt. The situation became emotionally and financially overwhelming.

Peter and Louise contacted their local Rural Business Support office and arranged an on-farm visit from one of the team. Working with a rural financial counsellor over several months helped them get some 'order' into their financial position, firstly by assisting them to communicate with all of their creditors. Through contact with their creditors and banks, Peter and Louise were given time to attend medical treatments which was their number one priority.

Over a period of time, the family members' health improved, however the business had been irreversibly damaged. A business analysis completed by their Rural Financial Counsellor (RFC) indicated little likelihood of being able

to trade back into profitability. Emotionally exhausted, Peter and Louise considered a range of options presented to them including asset sales. Considering the depressed real estate market in their region and the lengthy time it had taken for neighbours to sell, bankruptcy was also considered.

The business analysis revealed that via an orderly sale of assets that there should be enough equity to pay all creditors as well as leaving them enough money to re-establish a new life as wage earners.

Through the work of their Rural Financial Counsellor, legal assistance, the ombudsman service and co-operation from creditors and banks their assets were voluntarily surrendered and were sold at market rate.

Peter and Louise re-established themselves into rental accommodation and gained employment.

After what seemed an eternity to them, asset sales were completed at market value, all loans and creditors were paid and they received the residual equity which was enough to get them a deposit on another home.

Peter and Louise were happy for not choosing to file for bankruptcy and grateful and appreciative of the business analysis and the support from their Rural Financial Counsellor. They are now enjoying a healthy and happy family life and rebuilding after farming.

# *our clients*

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



# summary financial report

The majority of income received in 2013/4 was grant funding under the Australian Government's Rural Financial Counselling Program. Rural Business Support is currently funded by both the Australian and South Australian Governments, to provide rural financial counselling in South Australia through to June 2015.

The 2013 trial of Rural Financial Counselling in the Northern Territory was extended in FY2013/4 and will continue on a fly in / fly out basis through to December 2014.

## Rural Business Support Income 2013/4

- ① RFCS Program (Aust and SA Govt) **93%**
- ② NT RFCS Trial (Aust and NT Govt) **3%**
- ③ Agricultural Bureau Partnership(SA Govt) **2%**
- ④ Bank Interest **1%**
- ⑤ Other Income **1%**





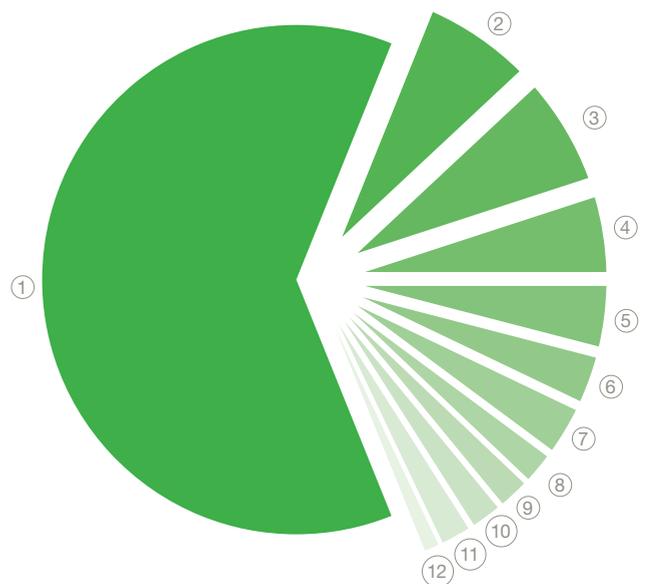
RBS commenced work with the Agricultural Bureau of SA in September 2013. RBS provides administrative, project and business services support to the Advisory Board of Agriculture and to their members. There are several synergies that exist between the purposes and visions of RBS and the ABA. Both organisations exist to provide support to the agricultural industry in SA and share a common set of stakeholders.

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.

The RBS balance sheet remains in a healthy position, with an accumulated surplus of \$553,354.

## Rural Business Support Expenditure 2013/4

- ① Employment Related Expenditure **62%**
- ② Office Accommodation Costs **7%**
- ③ Motor Vehicle Costs **7%**
- ④ IT & Communication **5%**
- ⑤ Board Costs **4%**
- ⑥ Depreciation **4%**
- ⑦ NT RFCS Trial Expenditure **3%**
- ⑧ Office Administration **2%**
- ⑨ Other Costs **7%**
- ⑩ Agricultural Bureau Partnership **2%**
- ⑪ Professional Development **2%**
- ⑫ Marketing and Promotions **1%**



## HEAD OFFICE

555 The Parade Magill SA 5072

## REGIONAL OFFICES

Regional office locations are provided on this map

# locations

- 
- 1 Eyre Peninsula**  
Chris Fitzgerald  
M: 0438 817 503  
Paula Kelly  
M: 0427 430 248
  - 2 Yorke Peninsula**  
Judy Goedecke  
M: 0418 856 267
  - 3 Mid North & Barossa**  
Deb Purvis  
M: 0427 430 244
  - 4 Mid & Upper North & Pastoral**  
John White  
M: 0419 825 440
  - 5 Riverland**  
Rita Perre  
M: 0437 321 107  
Lloyd Wright  
M: 0428 849 950
  - 6 Fleurieu Peninsula & Kangaroo Island**  
Andrew Wilson  
M: 0439 286 550  
John Christensen  
M: 0448 063 189
  - 7 Lower Murray & Mallee**  
Grant Crettenden  
M: 0417 849 705
  - 8 South East**  
Charlie Goode  
M: 0417 816 826
  - 9 Adelaide**  
Kirsty Flower  
M: 0477 747 765

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