

2016 | 17  
In Focus



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



### NORTHERN TERRITORY

We continued to engage with industry groups and clients in the NT to maintain our presence there.



### EYRE PENINSULA

We worked alongside an oyster grower to overcome a razorfish invasion and achieve a farm succession plan (see page 19).

### UPPER SOUTH EAST

More than 200 people attended our Hub & Spoke events in seven regional centres including Naracoorte.

### CLARE

Our office prepared to move to The Hub on Main North Road, a convenient location along with government agencies.

### YORKE PENINSULA

RBS was on the ground with locals at Field Days in Paskeville, Lucindale and the Riverland.



### LOWER SOUTH EAST

We helped a dairy farming business to diversify and remain in the industry after the Murray Goulburn crisis (see page 14).



## ADELAIDE

The Rural Media SA Awards were launched, with RBS a major sponsor to encourage regional journalists to tell agriculture's good news stories.

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## RIVERLAND

We supported growers affected by storm and flood events of spring 2016.



## 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.

# Report from the Board Chair



This year has been an exciting one for Rural Business Support (RBS) as we moved from a year weighted by strategic planning in 2015-16 to one of delivering and measuring – with success – new programs and services.

Under the leadership of Brett Smith since May 2015, RBS has continued to build its profile in providing professional services and independent support to assist primary industry clients to manage change, risk and business challenges.

I am proud to say RBS is today recognised on a national and state level as a modern, professional organisation with a high level of governance.

This year we further strengthened our relationships with SA and NT Government agencies, primary industry associations and private consulting firms.

The RBS Board has a broad skills set that includes expertise and networks across the primary industry, agribusiness and rural business sectors, with all Board Members bringing a strong focus on corporate governance and business management.

During the past 12 months the Board has met six times with a key focus on implementation of the pilot program with the dairy industry as well as exploring future potential opportunities to assist primary producers in SA and NT.

Towards the end of this year we acknowledged the significant contribution and commitment of outgoing RBS Board Member Paul Mulraney, who served the maximum nine year term. Paul joined in 2008 as a General Board Member and from 2012 held the position of Deputy Chair. He was also a strong member of the Audit and Risk and Compliance Committee. Paul brought his extensive knowledge in working in the public and not for profit sectors. We sincerely thank Paul for his commitment, considered approach and contribution over the past nine years and wish him the best for his future pursuits.

With Paul's departure we began the search for another General Board Member with specialist knowledge in accounting, finance and commerce. We received a terrific amount of interest in the remunerated position and I am pleased to announce that Claudia Goldsmith will join the RBS Board from 24th October. Claudia brings valuable expertise gained from a career as an accountant, working as a management consultant for BDO in recent times. She is also an experienced non-executive director in the not for profit sector, including previously as a director of the Bendigo Goolwa and District Bendigo Community Bank.

We look forward to Claudia working with us to continue the momentum RBS has achieved in this unpredictable, yet competitive primary industry sector market.

Our organisation is staffed by people who are adaptable and responsive to the needs of our clients.

On behalf of the Board, I acknowledge the commitment, contributions and enthusiasm of our staff.

Without you, we simply would be unable to support a competitive, profitable and sustainable primary industry sector in the professional but heartfelt way that we do.

I am very much looking forward to working with you all in the year ahead – and beyond – under our strategic plan, 'RBS Strategy 2020'. Together we can not only equip but empower rural communities to grow even further in their already proven resilience.

## Sharon Starick

Board Chair



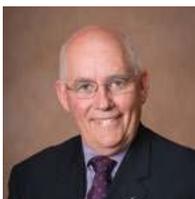
Left to right: Caroline Rhodes, John Harvey, Malcolm Pridham, Brett Smith (CEO), Paul Mulraney, Peter Walker, Sharon Starick, Damian Fitzgerald

## Our Board



### **Sharon Starick** Chair

A cereal and pig producer from SA, Sharon Starick has combined primary production interests with conservation and natural resource management. Sharon has worked as a land care officer with PIRSA, executive officer to three Soil Conservation Boards and the Soil Boards CARE Committee. Sharon has served on the Mallee Sustainable Farming Board, Pork Industry Development Board, Natural Resource Management Council and Community Advisory Committee for the Murray-Darling Basin Ministerial Council. She is a graduate of the Murray-Darling Basin Leadership Program and the 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), a Trustee of the Emergency Services and State Superannuation Fund and formerly 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.



**Damian Fitzgerald** Board Member

Damian farmed for a number of years on his family's cropping and sheep property at Cummins on Eyre Peninsula before studying law at Adelaide University. He maintains a close link with the farming community through his work in the agribusiness sector, his family and his own farming interests. Damian is the General Counsel for Viterra and Glencore Agriculture in Australia and New Zealand. He is the Company Secretary for Viterra and its various subsidiaries in Australia.

He is a Fellow of both the Australian Institute of Company Directors and the Governance Institute of Australia. He is a Member of the Association of Corporate Counsel Australia and the Law Society of South Australia.



**Malcolm Pridham** Board Member

Malcolm is a highly experienced banker with over 40 years in banking and agricultural finance, living and working in many locations across the state. Malcolm was brought up on the family farm on Yorke Peninsula, 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, SA Rural Media Association, Ag Institute and is a SA Justice of the Peace.



**Peter Walker** Treasurer

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.



**John Harvey** Board Member

John is Managing Director/Owner of Bathe Wines and has a broad knowledge of the Australian wine industry through his current position as Chair, Adelaide Hills Wine Region, 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.



**Caroline Rhodes** Board Member

Caroline has specialised in stakeholder management and regulatory affairs during her 16-year career in agribusiness. She has held senior positions in both the corporate and government sectors and spent six years working for State and Federal farmer representative bodies in Australia. Caroline holds a Bachelor of Agricultural Science (University of Adelaide), a Master of Agribusiness (University of Melbourne) and a Diploma from the Australian Institute of Company Directors. She is a graduate of the Australian Rural Leadership Program and serves as a Trustee of the South Australian Grains Industry Trust Fund. Her other current board appointments include the South Australian Cricket Association and the umbrella charity, Foodbank South Australia.

# Report from the Chief Executive



South Australian primary producers have again shown their resilience with another year of extreme weather conditions and, for some, the continued aftermath and recovery from devastating fires in 2015.

What began for many as a near record grain harvest, concluded with the driest start to the growing season in five years.

Livestock and wool prices continued to exceed expectations, offsetting lower grain prices for many and it was a relief to see grape prices showing some signs of improvement after many years of near cost of production returns.

In the Northern Territory record cattle prices and improved seasonal conditions continued to inject confidence into the pastoral industry still recovering from the live cattle bans some years earlier.

For Rural Business Support it has been a year of reactive and proactive response.

Rural Financial Counsellors have again worked hard to assist more than 500 primary producers across many industry sectors through financially tough times.

In September and November 2016, heavy storms in the Riverland and Murrayland regions saw affected producers seek our assistance after heavy rainfall, hail and winds damaged crops.

Damage across a number of agriculture sectors including horticulture, viticulture, stone fruit and almond industries was excessive due to critical production phases at the time, causing significant production losses in some cases.

RBS responded through our team of experienced Rural Financial Counsellors, who worked tirelessly with other support services to help those affected through the storm recovery centres at Virginia and Loxton.

RBS has continued to work closely with the dairy industry in SA, helping to secure additional contingency funding from the Federal and State Governments to provide extra resourcing to assist dairy farmers. This assistance enabled RBS to work intensively with families to assist with the “here and now” business questions, but also the “where are we going?”.

Our Farm Advisory Team has continued to work proactively through the RBS Programs and Services business to develop and expand its reach.

The successful delivery of the innovative Farm Business Strategic Review program to assist dairy farmers has garnered industry and government endorsement, resulting in an extension in funding and a further rollout.

In addition, the SA pork industry has embraced the program for its members with a pilot well underway. Further discussions with other industry groups are also in progress.

The Farm Advisory Team also delivered an array of programs and services involving financial and business planning, from the Farm Business Basics Program, Farm Financial Assessments, Taking Stock, Farming Together and 3IP applications (SARMS).

The 2016 - 2019 Rural Financial Counselling Funding Round has secured this vital service to the 2019 end date. RBS cleared the first milestone assessment this year through the monitoring and evaluation framework, ensuring a continuation of funding. The Rural Financial Counselling Service demonstrated its well-developed case management process through highly trained and professional staff assisting clients with outcomes toward financial sufficiency.

We have continued with our strong stakeholder engagement strategy, leveraging our existing connections with rural and regional networks to collaboratively reach potential clients. A number of stakeholder engagement events have been held in regional SA to strengthen these valuable links.

It is an exciting time for agriculture. The industry is looking the best that it has for a long time, while still understanding that some industries and regions have specific difficulties, but in the main things look very promising.

Farming is a risky business and our farmers have adapted well to manage risk in the challenging environmental and economic circumstances that can suddenly transform their situations.

Farming is becoming a serious business. For many to take advantage of the good times forecast, business and planning skills development are essential in positioning farmers to take advantage of these opportunities.

Importantly though, there are controllable risks that are the hallmarks of successful farming. Many of these are operational and, increasingly, many of these relate to strategic and business planning risks.



The RBS business is in great shape. As a service provider we will always be challenged by the uncontrollable risks associated with farming and catastrophic impacts that Mother Nature may present.

RBS will continue to work both in a reactionary capacity to help farmers in financial difficulty, while developing programs and services to help in a more proactive way to develop capacity to better understand the business planning and strategic pathways required for farming business resilience.

**Brett Smith**  
Chief Executive Officer



Stakeholder Engagement Model

# Achievements

*Rural Business Support is proud to be considered a leading not-for-profit provider of agribusiness services and independent support to the primary industry sector.*

*We support primary producers, fishers and other rural businesses to take action to manage change, risk and business challenges.*



## Rural Financial Counselling Service

- 1 Provided more than 8,700 hours of service to 522 eligible rural financial counselling clients.
- 2 Intensively supported vegetable, wine grape, fruit and nut growers affected by the September and November storm and flood events in the Gawler River and Riverland regions by ensuring RBS' presence at recovery centres until June 2017.
- 3 Sought and secured additional funding to support dairy businesses following the downturn in milk prices of April 2016 – resulting in an increase of 700% in dairy farm clients.
- 4 Secured funding and commenced planning for a wellbeing project to assist clients in overcoming decision barriers to making decisions to improve their financial position.
- 5 Provided intensive support to SA and NT recipients of the Farm Household Allowance with the goal of helping them to become financially self-sufficient and secured funding to provide targeted support to FHA recipients after they exit the scheme.
- 6 Secured funding to help access business analysis tools to assist Rural Financial Counsellors.
- 7 Continued to service and engage with key industry groups and clients in the NT.



## Programs and Services

- 1 Completed delivery of the Farm Business Strategic Review (FBSR) pilot to 30 dairy farms in South Australia, resulting in dairy business investment of over \$3 million. Commenced rollout of the FBSR to an additional 30 dairy farms with support from DairySA, the SA Dairy Industry Fund and Primary Industries and Regions SA (PIRSA).
- 2 Confirmed Farm Business Strategic Review to the pork industry for rollout 2017-18, with support from PIRSA, Australian Pork Limited and in-kind support from Pork SA and the Pork CRC.
- 3 Further developed the Farm Business Strategic Review program for delivery across SA primary industry groups through leveraging state industry success to federal funding sources for 2017-18.
- 4 Successfully applied for \$104,880 under the Natural Disaster Resilience Program to help develop business survival plans for small rural and farming businesses. This program will be delivered in 2017-18.
- 5 Conducted Farm Business Basics workshops in the Riverland and on Kangaroo Island, with more than 30 farmers/growers attending.
- 6 We were involved with successful SARMS 3IP projects totalling approximately \$320,000.



## New survey results confirm RBS is building rural resilience

A recent survey of 200 Rural Financial Counselling Service clients shows just how important this service is to the resilience of regional farming communities.

*86% of those surveyed acknowledged they would be worse off if they had not seen a Rural Financial Counsellor.*

### The top survey results revealed:

- Four in five clients (80%) had taken action as a result of their counselling
- Almost all clients (96%) stated they would be likely to recommend the RFCS to others who might need help
- A total of 95% of clients surveyed were satisfied with the professionalism of their counsellor
- 80% had undertaken one or more action as a result of their involvement in the service

### Ultimately the results of this survey suggest that the RFCS is critical in:

- Providing clients with a better understanding of their financial position
- Enabling them to feel more confident about their business decisions
- Assisting in the formation of plans to improve business
- Enabling them to feel better about the future of their business

# Rural Business Support



## Rural Financial Counselling Service

Understanding your financial position

Providing future projections & scenarios

Preparing for bank reviews & meetings

Preparing for succession & family meetings

What other support is available

Helping with applications



## Farm Business Management Programs

Farm Business Strategic Review

Farm Business Basics / Managing Your Farm Business

Business survival planning

Family Farm Management Program

Farm Business Advisory Service



## Agricultural Support Services

Executive, Board and communications services

Dairy Farm Monitor Project



  
RURAL BUSINESS  
SUPPORT

# Programs and Services

*Rural Business Support continues to grow our suite of programs and services to support and equip family farm businesses to better manage change, risk and challenges. Our Farm Business Advisor provides a dedicated and professional service to primary producers and small rural businesses.*

## **Farm Business Basics Program**

This program consists of a series of workshops to improve farming business' knowledge of farm financial management, as well as building individual capacity and confidence in financial and business skills.

## **SARMS 3IP**

We worked with irrigated industry clients to evaluate and develop projects to improve water usage efficiencies and increase productivity and profitability. Project feasibility included risk assessment, project planning and cash flow analysis. Where clients were invited to apply for grant funding under the program, assistance was provided to complete the detailed application process.

## **Prescribed Advisor – Farm Finance Assessments**

The prescribed advisor service is for recipients of the Farm Household Allowance who require a farm financial assessment.

## **Farming Together program – Southern Cross University**

Farming Together (Farm Co-operatives and Collaboration Pilot Program) – is a Federal Government initiative that aims to provide farmers with knowledge, skills and materials on collaborative ideas, co-operative structures and collective strategies. Our role is to conduct an initial needs assessment to identify the type of future support the farmer group needs and wants.

## **Taking Stock – Tactics for Tough Times**

We continue to work closely with Dairy Australia to provide one-on-one sessions with dairy farmers at the kitchen table to improve their profitability, identify current issues, assess where they are at now and determine what the next important decisions are for them.

In 2017-18 we are looking forward to launching a number of interesting new programs:

## **Disaster resilience business planning – ‘SAFECOM’**

Funded by the Federal and State governments, this project aims to increase the number of small rural and regional businesses that survive a natural disaster event such as bushfire, flood and drought, by working with them on preparedness and survival planning. The project aims to reach 135 businesses which have limited capacity, access and/or resources to develop business survival plans. The program will be piloted in the Riverland, followed by 24 workshops across South Australia.

## **Dairy Farm Monitor Project**

Working with Dairy Australia on their national benchmarking program, RBS is responsible for data collection, validation and analysis. This is followed by preparation of the annual DFMP State report and presenting the results to industry.

## **Aussie Farmers Foundation – Family Farm Management Project**

RBS will work with 14 families on the Eyre Peninsula and in the South East who are motivated to develop farm business management systems to help them ultimately transition their business to future generations.

Find out more about Rural Business Support's Programs and Services by contacting:

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*“Great way to evaluate where your business is at and where you are heading.”*



## Our Farm Business Advisor supports families to harness new business opportunities

### Abandoned citrus orchard to grow avocados – and business viability

Rural Business Support has worked alongside a third-generation Riverland grape growing family to convert an abandoned orange grove into an avocado orchard to diversify their business and increase its long term viability.

RBS' Farm Business Advisor, John Christensen, supported the client in a number of ways with purchasing and transforming the 9ha property. Initially he met with the grower to go through his vision and collate all relevant information for the SARMS 3IP application. Project development included liaison with Government departments and industry experts; compiling costings, producing project budgets, financial projections and submission of the application ensuring compliance with SARMS 3IP scheme guidelines were met.

Water savings calculations also were carried out based on the grower's plans to install a new modern irrigation system to improve water usage efficiency and allow for less reliance on fertiliser and chemicals – a positive for the environment. The telemetry system also has given the grower the freedom to monitor and activate the system remotely, contributing to further water savings.

The Riverland orchard will start producing avocados in the 2017-18 year. The produce will help to extend the season locally when avocado supplies from the northern states come to an end.

In the longer term, the project will make the client's overall business more viable, productive and resilient by distributing the risk away from grape price volatility.

*“As a participant in the pilot I recommend this to all dairy families.” - John Hunt, SADA*



## Farm Business Strategic Review has helped dairy farmers weather the Murray Goulburn price drop to survive and thrive

### Supporting dairyfarmers to boost productivity and profits

Diversifying their business with the assistance of Rural Business Support helped South East dairyfarmers Lorraine and Brian Robertson remain in the industry when dairy giants Murray Goulburn and Fonterra dropped prices to below the cost of production in 2016.

For seven months the Fonterra suppliers “didn’t see a milk cheque” as the equity in their business dropped by \$200,000.

A week before the price crash, the Robertsons had signed up to participate in the pilot program of our Dairy Farm Business Strategic Review.

They credit the review, and the ongoing help of RBS Dairy Analyst Lachlan Hood, with helping them ‘crunch the numbers’ to remain profitable.

“We managed to survive but it was in a state of shock and with huge emotional turmoil,” said Lorraine.

“With the help of the Dairy Farm Business Strategic Review, we have managed to move on from there. The program helped us to have the confidence to go to the bank and we’ve changed our outlook significantly since.

“Working with RBS meant we were able to demonstrate what our financial position had been and what it could be. We ran through all of the different possibilities and strategies and used them as a sounding board to work through the options.”

The Robertsons leased a centre pivot and water to a sharefarmer to grow seed potatoes, sold beefcross calves and halved their herd of dairy cattle to 150 milkers, retaining the Normande portion of their herd and selling their Swiss Brown cows.

Leasing the centre pivot which was the farthest from the dairy had flow-on benefits as cows no longer had to walk as far to the dairy, which maximised milk productivity.

# Farm Business Strategic Review

*Rural Business Support's Farm Business Strategic Review (FBSR) is receiving widespread acclaim after its successful pilot and rollout to South Australian Dairy families and expansion in June 2017 to assist Pork producers as well.*

This new proactive approach to financial and strategic awareness was developed by RBS in 2016. The Government of South Australia provided a \$300,000 grant to RBS through Primary Industries and Regions SA as a result of the active support of Primary Producers SA and SA commodity groups.

The state and national scale-up outcomes of the FBSR include to:

1. Adapt a new proactive approach to each industry (majority of members are family businesses)
2. Assist members to develop a better understanding of their financial and strategic position
3. Support timely negotiations with banks and investors to provide the capital for industry growth
4. Support timely succession planning and industry rationalisation
5. Assist members lacking viability to implement planned industry exit
6. Reduce supply chain and industry risk factors and protect industry brand and asset values
7. Demonstrate industry commitment to growth and seek greater government support for growth

## **Pilot's success in SA dairy industry paves the way**

An initial 30 SA dairy families were involved in the pilot, which commenced just prior to the Murray Goulburn price crash that resulted in five families having to leave the industry. Of the 25 families that completed the pilot, 19 indicated \$3.65 million in new investment intentions and a subsequent \$2.7 million in bank funding was generated from their participation in the FBSR.

The pilot also assisted five families to respond to the price shock and continue to operate through effective bank negotiations backed by a formal family plan, budget and monthly cash flow.

Ultimately the success of the pilot resulted in the SA dairy industry and SA Government funding the rollout of the program to a further 30 dairy families in 2017. United Dairy Victoria has endorsed the program and negotiations are underway to commence a pilot in Victoria in 2018.

*“The new targeted process developed by RBS shows that it is possible to redirect government funding from crisis to crisis prevention. We believe it is critical through productivity and profitability growth to move attitudes within the farming community to government funding ‘from reliance to resilience’.”*

– Tony Mahar, Chief Executive Officer  
National Farmers Federation

## **FBSR expands to help pork families with industry support**

Building on the success of the process developed by RBS for the SA dairy industry, Australian Pork agreed to fund a pilot with 10 pork producing families in SA and Victoria in 2017.

The engagement process, web tools and on-farm support have had an excellent response from pork families.

## **Exciting future ahead as industry interest builds**

Primary Producers SA and the major industry groups are now seeking to secure funding to adapt and pilot Rural Business Support's Farm Business Strategic Review across grains, livestock, wool, horticulture and viticulture in SA. This offers the potential for the RBS program to become a major initiative to support investment in agriculture and job creation across the food supply chain through export growth.

Find out more about Farm Business Strategic Review by contacting:

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*“Lack of financial literacy and strategic awareness are seen as major barriers to profitability and productivity growth and investment in agriculture across Australia. PPSA and the major commodity groups support a unified approach which we believe will have greater impact at lower cost and stimulate market driven, private sector investment to support regional growth and export growth with benefits across the supply chain to the whole State.” – Rob Kerin, Executive Chairman, Primary Producers SA*



Government of South Australia  
Primary Industries and Regions SA



The Farm Business Strategic Review has been developed by Rural Business Support with government and industry funding. *Farm Business Strategic Review, Farm Base* and *strategic quadrants* are all registered trademarks of Rural Business Support

# Rural Financial Counselling

*In the past 12 months our Rural Financial Counselling Service (RFCS) has supported 522 farmers and their families to understand the viability of their farm business, access government support and take actions to improve their financial position.*

This activity has occurred in a period of economic uncertainty for the dairy industry and in amongst a number of natural disaster events.

The RFCS has played a significant role in supporting people to access the Farm Household Allowance (FHA) – an income support payment available through the Department of Human Services (DHS). We have helped people to navigate the sometimes complex process involved in applying for the allowance and have followed up with DHS to ensure the assistance is received in a timely manner. This income support is of high importance to our clients, helping to stabilise their cash flow over a period of three years while they receive further case management support to improve their financial position.

With the FHA program now in its fourth year, we are now seeing the first tranche of clients who have reached the three-year time limit for receiving payments. It is pleasing to see that a number of clients who have worked with their Rural Financial Counsellor over this time frame are now in a position to manage their farm businesses without having to rely on FHA income support.

In the year ahead we will continue working with clients receiving FHA to ensure they are ready to be financially self-sufficient once they reach their three year limit.

We have welcomed the Australian Government's provision of funding to employ an extra Rural Financial Counsellor to manage the expected increased demand as clients come off FHA. This role will engage with people who have been on the payment but have not previously had contact with a Rural Financial Counsellor, offering them support in how to manage financially without the FHA income.

The unexpected pricing announcement by Murray Goulburn in April 2016 resulted in 30 new dairy clients to the RFCS. The Australian Government provided Rural Business Support with additional funding to employ a Dairy Business Analyst through to June 2017 to intensively support dairy farmers during this tumultuous time. The role worked with them to review their current financial position, expected future cash flows and look for options to manage through the pricing downturn.

A number of dairy farms took the opportunity to review their business strategy and analysed different scenarios with our assistance.

The State-wide power blackout of September and subsequent storm events had a significant economic impact on the state with power outages in some regions extending to over a week.

The Gawler River region was severely impacted with flooding, destroyed vegetable crops and storm damage to horticultural infrastructure. The RFCS worked with the State Government's Recovery Centre at Virginia to provide support to 35 vegetable growers over an extended period.

The November storm event across the mid-Murray and Riverland regions also resulted in a demand spike, with the RFCS providing assistance to stone fruit and wine grape growers with applying for recovery grants and support.



## Supporting rural businesses to achieve succession plans

### Oyster grower turns pest into positivity with RBS

A long time oyster grower whose business was being decimated by a razor fish invasion is now quietly confident the business transition he desires will become “a real option” in the next five years thanks to assistance from Rural Business Support.

Unsure of whether to retire and exit the business or plan for succession, the client initially contacted us for help when applying for Youth Allowance for a daughter leaving school and wishing to go on to university. A holistic review of the business and succession plan was completed and options identified.

At the time the client had been falling behind with license and lease fees due to family financial commitments and their requests for an extension had been turned down. Our local Rural Financial Counsellor helped the client contact the appropriate Government agencies and determine an outcome which was acceptable to all parties.

Spirits were also especially low as the client had been unable to work for three months after stepping on a razorfish and injuring his foot. It didn't seem so at the time, but the painful workplace injury would turn out to be a blessing in disguise.

The presence of razorfish posed a Workplace Health and Safety risk threat to the owner and employees in the business.

Razorfish did not exist on the lease area when it was first allocated, but the oyster racking structures created a calmer environment allowing the razorfish spat to settle and prosper. Because razorfish compete for the same food source as oysters, this caused a downturn in productivity and business profitability. The client had been able to obtain a ministerial exemption to clear the razorfish around their racking, but not for sale.

No commercial sales of razorfish are permitted in Australia, but they can be endorsed on a fisherman's licence, in limited numbers for bait and burley for their own use.

The counsellor also helped the client by introducing them to their local Member of Parliament, who made contact with the appropriate authorities in an attempt to escalate their application to commercially harvest razorfish. After industry site inspections were completed, a temporary permit was granted to sell the cleared razorfish instead of destroying them. In this way the client was able to recover the costs they were incurring continuing to clear the leases.

This opportunity will provide additional income over the next two years while the business comes under additional pressure due to the impact of Pacific Oyster Mortality Syndrome (POMS).

Rural Business Support also identified an external funding source to enable the improvement of work conditions for an employee facing physical difficulties. The client inquired about the Employment Assistance Fund and was ultimately successful. This resulted in some assistance towards purchasing an oyster grading machine which has enabled the employee to cope with a role in the business he would have struggled with.

The couple have since been working on a farm succession plan and now have an achievable business transition plan.





*“Without the assistance of Rural Business Support I would be less optimistic about some parts of our business and probably would be downsizing and focussing more on other sites away from the infestations.”*



*“If we didn’t have them to fall back on and the Rural Financial Counsellor to talk to, we might not have got through.”*

## RBS was there at the frontline after floods devastated the Gawler River and Murraylands

### Flood recovery support a big focus this year

Rural Business Support was there to help families whose businesses were inundated by the Adelaide Plains floods in October 2016 to tap into emergency financial assistance and seek out ongoing support.

About 1000 growers were affected by the flooding, with many farmers including large Vietnamese and Cambodian communities registering for emergency assistance. The market gardens just north of Adelaide account for about one third of South Australia's horticultural production.

Our Rural Financial Counsellors worked at the Flood Recovery Centre in Virginia every Wednesday from October 2016 to June this year, alongside government agencies including Primary Industries SA (PIRSA), the Department for Communities and Social Inclusion (DCSI) and Centrelink.

Assisted by interpreters, we worked with dozens of families to complete applications for SA Government recovery grants of up to \$10,000 and Farm Household Allowance (FHA).

We also helped affected families with business analysis, referrals to other service providers and met with lenders and financial institutions.

"There was a lot of compassion and caring going on there from the perspective of the service providers," said Rural Financial Counsellor Judy Goedecke.

"For the growers affected there was pride, there was disappointment and there unfortunately was depression. At the end of the day, still these people were humble and very grateful for our help. They were so appreciative of everything we were able to do for them."

Many families that RBS supported following the Adelaide Plains floods are now working with our counsellors to develop ongoing action plans to minimise the impact of future extreme weather events and improve the resilience of their businesses.

RBS was invited to be involved at the Flood Recovery Centre after our similar emergency recovery efforts with family businesses impacted by the Pinery and Sampson Flat fires.

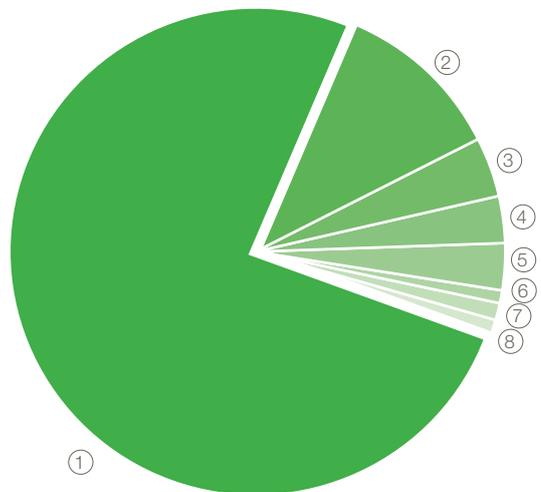


# Summary Financial Report

Rural Financial Counselling Service Program funding remained as the primary source of income received by RBS in FY2017 – from the Australian, South Australian and Northern Territory Governments (2017: 76%; 2016 76%). In addition, RBS received additional RFCS contingency funding to support the dairy industry following the Murray Goulburn pricing announcement of April 2016, and to support increase demand for services from south eastern producers affected by drought.

## Income 2016/17

1. RFCS Program (Aust, SA & NT Govt) 76%
2. RFCS Program Contingency Funds (Aust Govt) 11%
3. Dairy Farm Business Strategic Review Program 4%
4. Pork Farm Business Strategic Review Program 3%
5. Business Services 3%
6. Farm Business Advisory Services 1%
7. Grains Farm Business Strategic Review Program 1%
8. Other Income 1%





Programs and Services income for the year was sourced from Dairy SA, SA Dairyfarmer’s Association and the Government of South Australia (PIRSA) to continue the rollout of the Farm Business Strategic Review (FBSR). In addition, the FBSR program commenced to work with the pork industry in SA and Victoria funded by Australian Pork Limited.

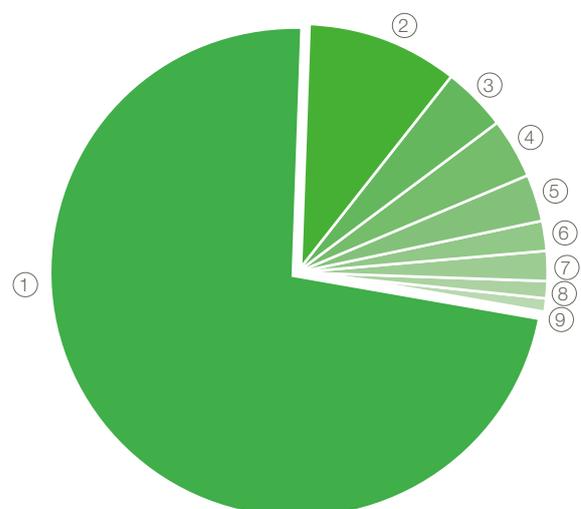
The majority of funds were expended on employment related costs to deliver the services under the RFCS and FBSR programs.

The balance sheet remains in a healthy position, with an accumulated surplus at 30 June 2017 of \$278,273.

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

## Expenditure 2016/17

1. RFCS Program Costs 73%
2. Other RFCS Program Costs 10%
3. Dairy FBSR Costs 4%
4. Business Development Costs 4%
5. Pork FBSR Costs 3%
6. Farm Business Advisor Costs 2%
7. Business Services Costs 2%
8. Grains FBSR Costs 1%
9. Other Costs 1%



# Head Office

555 The Parade,  
Magill SA 5072

## Regional Offices

### South Australia/NT

#### Eyre Peninsula

##### Western, Central & Lower

Chris Fitzgerald  
0438 817 503

##### Eastern

Paula Kelly - Senior Counsellor  
0427 430 248

#### Yorke Peninsula & Adelaide Plains

Judy Goedecke  
0418 856 267

#### Barossa, Hills & Pastoral Area

Chris Turner  
0437 321 107

#### Mid North & Southern Flinders

John Squires  
0427 430 244

#### Riverland

Lloyd Wright  
0428 849 950

#### Murray Mallee & Upper South East

Lynton Keene  
0448 092 294

#### Kangaroo Island, Adelaide Hills & Fleurieu Peninsula

Russell Trainor  
0418 850 251

#### South East

Lachie Hood  
0439 286 550

Charlie Goode  
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#### Northern Territory

Lloyd Wright  
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#### Farm Household Allowance Coordinator SA/NT

Julianne Fiebig  
0477 747 765



**RURAL BUSINESS SUPPORT**

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