



**RURAL BUSINESS  
SUPPORT**

*supporting a  
profitable, sustainable  
and resilient primary  
industries sector*

year in review  
2012-2013  
highlights



# achievements

## Top 12 highlights

1

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

3

Successfully obtained an additional rural financial counsellor position through the Federal Government's Farm Finance

5

Rural financial counsellors commenced study towards the Advanced Diploma in Agribusiness

7

Extended support in the Northern Territory to offer rural financial counselling assistance to not only cattlemen but to fishermen and growers in the horticultural industry

9

Strong increase in social media activities with Twitter followers increasing by 100 and Facebook likes increased by over 50%

11

Rural Business Support projects conducted a 10 week Best Practice Management Program for Punjabi growers in the Riverland to support them in better managing their businesses

2

Staff retention remained at 100% and our team numbers expanded to include a Communications Manager and a part-time Executive Assistant

4

Opened new offices in Naracoorte and Streaky Bay

6

Launched new website along with user-friendly version for smart phones and tablets

8

Assisted the first Northern Territorian primary producer in receiving government assistance through the Transitional Farm Family Payments (TFFP)

10

Produced new corporate material including fliers, posters for South Australia and Northern Territory and a business profile highlighting strength and capability

12

Assisted 508 Rural Financial Counselling Service clients

# *strategic focus and vision*

Rural Business Support has four areas of focus as part of its strategic direction towards 2015:

- work with **CLIENTS** to build resilience, resourcefulness and productivity in the agribusiness sector
- establish mutually beneficial **PARTNERSHIPS** with stakeholders and industry groups
- be an **ORGANISATION** employing best practice in governance and management
- pursue **BUSINESS SUPPORT** opportunities in response to industry needs

*“by concentrating our effort  
into these focus areas,  
we will achieve our vision of  
a profitable, sustainable  
and resilient primary  
industries sector ”*

# *rural business support*

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) and a Projects Division.

Maintaining a flexible approach, RBS provides assistance to primary producers, including fishermen and market gardeners and small rural businesses, to build capabilities to assist in the management of risks through change and adjustment.

The service is free, independent and confidential and delivered through a network of 10 professionally trained staff based in throughout the State.

The Projects Division of RBS collaborates with government and industry to deliver projects that support a strong and resilient primary industries sector.

Projects are developed on an as-needs basis and are dependent on external funding support from state and federal governments, other agencies and industry.

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.

Since its inception, Rural Business Support through its Rural Financial Counselling Service has assisted 4114 farming enterprises over 267 postcodes throughout South Australia with client hours reaching 54,268 hours



# *report from the board chair*

RBS is committed to supporting primary producers and small rural businesses experiencing financial hardship, or at risk of financial difficulties. The organisation is supported by an expert board and skilled, committed staff.

The core activity is the delivery of the Rural Financial Counselling Service in SA and the Northern Territory (NT). Rural Business Support also aims to support a sustainable and resilient primary industries sector, through the development of a range of partnerships with the Government of South Australia, the Northern Territory Government, their agencies, primary industry associations and private consulting firms.

The RBS Board has seven members, each with expertise and networks in one or more areas of farming, fishing, rural business and agribusiness. At the Annual General Meeting in October 2012, long serving members Don Blesing (Chair) and Catherine Barnett retired from the Board.

On behalf of the Board, I would like to acknowledge Don and Catherine for their passion and significant commitment to the organisation in developing a strong foundation for RBS. The Board also welcomed two new Board members, namely Debra Ferguson and Michael Blake in addition to myself, as the incoming Chair.



During the 12 months to June 2013, the Board met seven times including a planning day focussed on the strategic direction of the organisation which will contribute to the review of the RBS Strategy 2015.

It is envisaged that our vision for a sustainable and resilient primary industries sector and our core business being to support primary producers, fishermen and small rural businesses experiencing financial hardship, or who are at risk of financial difficulty, will remain unchanged.

Our priorities remain; to continue providing a rapid response service to those in immediate need and assisting them by using our business planning tools to maximum effect; and expanding our ability to support primary producers at risk.

On behalf of the Board, I would like to acknowledge Kay Matthias as the Chief Executive Officer who has continued to give 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. I would also like to acknowledge the dedication 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 RBS Board and Kay to ensure that we continue to support a sustainable and resilient primary industries sector. I also look forward to contributing to the Rural Financial Counselling Service program nationally.

**SHARON STARICK**  
Board Chair







## *2012/2013 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 Boards (sustainable farming, pork industry and NRM) Sharon is also a graduate of the Murray-Darling Basin Leadership Program and the AICD CDC.



**PAUL MULRANEY** | 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 a Director at Vittera. 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 SA State Manager of NAB Agribusiness, 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 currently employed as Meat & Livestock Account Manager with PIRSA and has extensive experience in international trading, as well as state, national and global farming industries. Previously employed by Michell Wool and Elders, Michael has experience in market intelligence, sales and marketing, export, marketing and development, customer service and commercial and business management.



**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*

It is with pleasure that I present my report on the operations and activities of RBS.

The much needed rains came at the beginning of June this year with good falls recorded indicating an excellent 2013 season. Prior to that, the seasonable conditions were mixed with low to no rainfall over the 2012 season, which was a surprise to us all. Some areas, especially the South East and parts of the mid North, recorded very low rainfall.

### **CLIENTS**

Whilst client numbers have reduced from the previous year there has been a significant shift in the focus provided by RBS.

The focus on drought reform has meant that staff continued to work with primary producers to prepare for future drought and adverse business conditions.

We maintained our core business of working with clients to plan for a sustainable and profitable future and to manage the challenges of industry change and adjustment. Business planning, succession planning

and business debt mediation, contributed the majority of service delivery to clients.

Clients continue to appreciate the value of Plan to Profit (P2P), a software package that rural financial counsellors have as an essential part of their tool kit. It provides clients with a clear analysis of their business over a five year period with the ability to graphically present a range of options in consideration for the future of their business.

Following on from the trial of a rural financial counselling service in the NT for cattlemen and other small rural businesses that were affected by the ban on live cattle exports, our South East rural financial counsellor, Charlie Goode spent two weeks every three months in Darwin and Katherine.

We were pleased with the recent Federal Government announcement to extend the current trial into 2013 which means our work can continue with not only cattlemen, but also with fishers and growers in the horticultural industry.

We were integral in assisting a primary producer in becoming the first Territorian to receive government assistance through the Transitional Farm Family Payment which has provided much needed support in the current difficult trading conditions.

With the announcement of the national farm finance package, SA has been keenly awaiting the details of the low concessional rate loans. This has been a hot topic with staff, clients and the media.

This very welcome policy will assist a number of our clients to restructure debt.

### **STAFF**

Staff retention remains at 100% and we have also had the pleasure of welcoming some new staff during the year. Firstly Communications Manager, Sue Rogers brings 16 years' of communications and marketing experience. Sue has substantial and proven experience, not only in communications but in the agricultural sector, after 13 years of working in PIRSA and has already made a significant contribution as part of our re-branding exercise.





Jodie Hausler is employed on a part-time basis filling the remainder of the part-time Executive Assistant position which is currently occupied by Julie Arbery. Jodie has extensive experience working as an Executive/Personal Assistant in both the public and private sectors and has a wide variety of skills including sales, marketing, event management and customer service.

As part of the Federal Government's Farm Finance Package and as part of Minister Gail Gago's intervention, South Australia was successful getting an additional rural financial counsellor position.

There have been several regional office moves with Naracoorte now being the home for the South East service and a new office set up in Streaky Bay.

As always, we place a high priority on staff training and are pleased to support staff with their ongoing professional development.

This year all rural financial counsellors will complete the Advanced Diploma in Agribusiness which will give them valuable knowledge when working with their clients.

## **PROJECTS DIVISION**

Over the past year RBS worked with Primary Industries and Regions SA and Rural Directions to explore the attributes of farming businesses that continued to operate successfully during the drought (2006-2010). This followed a previous study into the common characteristics of those businesses.

RBS also partnered with Regional Development Australia (RDA) to conduct a 10 week Best Practice Management Program in the Riverland. The "Invest in Yourself" program assisted a group of Punjabi growers in learning how to better manage their businesses with particular emphasis on adopting best practice management skills.

## **BRANDING AND COMMUNICATIONS**

Following a strong re-branding campaign, RBS has benefited with an increase in public recognition through the re-design and launch of our new website as well as a suite of promotional material.

To ensure that no one is disadvantaged when viewing our website, we have produced a user-friendly version for smart phones and tablets.

A business profile outlining our strengths and capabilities and a range of promotional fliers and posters for both SA and NT audiences have been produced and distributed.

We have had an increased presence on social media, namely through Facebook and Twitter. A social media calendar is produced each week to ensure that all activities and promotions can be captured and disseminated.

This year the media has continued to play a key role in getting our message out to rural and farming communities. I thank them for their interest in our service and highlighting the work we undertake.

## **SUPPORT**

I would like to thank the Board for its support, and to all of the staff who continue to provide an outstanding service to our clients. I particularly pay tribute to my Executive Assistants, Julie and Jodie, for their fantastic support.

## **FUTURE**

We will continue to work with our existing clients and new partners, to build capabilities that will assist in the management of risks through change and adjustment.

We will forge strong partnerships to ensure that we are in a position to take advantage of opportunities and to continue to provide the support needed to build a resilient and viable agribusiness sector into the future.

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

**KAY MATTHIAS**  
Chief Executive



# *rural financial counselling division*



**CHARLIE GOODE**  
Rural Financial Counsellor



**RITA PERRE**  
Rural Financial Counsellor



**CHRIS FITZGERALD**  
Rural Financial Counsellor



**DEB PURVIS**  
Rural Financial Counsellor



**GRANT CRETTENDEN**  
Rural Financial Counsellor



**JOHN WHITE**  
Rural Financial Counsellor



**JUDY GOEDECKE**  
Rural Financial Counsellor



**ANDREW WILSON** (part-time)  
Rural Financial Counsellor



**PAULA KELLY**  
Rural Financial Counsellor



**LLOYD WRIGHT**  
Rural Financial Counsellor





# *rural business support head office*



**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





# *rural business support projects division*

The Projects Division continues to provide strategic financial business management, educational and research programs for primary producers, fishermen and small rural business owners, particularly those who are at risk of financial hardship or are experiencing a short-term business downturn.

Projects are developed on an as-needs basis and are dependent on external funding support from state and federal governments, other agencies and industry.

In late 2011 RBS worked with PIRSA and Rural Directions to undertake a study into the common characteristics that enabled SA primary production businesses to remain profitable during the tough climatic conditions during 2006 to 2010.

Following that study, RBS facilitated a series of workshops, in partnership with PIRSA, to explore how to disseminate the information gained and enhance the business capabilities of our target clients.

High level insights were obtained from primary producers, professionals, government, training providers and agribusiness bankers.

The final report included the implications and opportunities for government including the potential to reinvigorate rural business learning to better prepare farmers for the many and varied challenges of the industry.

The following recommendations summarise the project outcomes.



1

The four key capabilities of business planning, financial management, workforce management and adopting change are accepted as the foundation for the development of a holistic farm business skills development package in South Australia.

3

Business planning, business performance and risk management be focus areas for enhancing business management skills. In addition farm governance, communication, succession and being drought-ready also needs to be provided.

5

Workforce management skills development should be focussed on enhancing skills for farmers in developing teams and individuals, recruiting, selecting and inducting staff and managing staff.

7

The delivery of any business skills development package is done in a way that builds resilience of the individual and enterprise, connects communities and generates a positive, professional and strategic approach to farming.

2

That any package of learning be sensitive to the performance levels and capability of farmers and delivered according to these attributes.

4

Financial management initiatives will include budgeting, reporting, annual planning, managing resources, confidence, cash flow, and long term financial planning.

6

Consideration is given to the delivery models of business skills development packages that enhances and enables a greater adoption to change.

RBS in partnership with Regional Development Australia also conducted a Best Practice Management Program for Punjabi growers in the Riverland.

This program looked at providing better business management skills, concentrating on adopting best practice.

*“the goal of our new projects division is to build the resilience of rural businesses, assist them to overcome impediments to longer term sustainability and enhance their ability to adapt to challenges.”*





## CASE STUDY

# *best practice management program*

Without the Exceptional Circumstances (EC) drought relief and interest rate subsidies, many Riverland growers needed to have better systems in place to manage their businesses and to prepare for future droughts and climatic conditions to increase their long term viability.

Partnering with Regional Development Australia, RBS conducted a 10 week program “Invest in Yourself” for Punjabi growers. Meeting once a week, the 11 growers were taught how to better manage their businesses concentrating on adopting best practice management skills.

Participants also developed their networking abilities which saw an increase in self-esteem with some even continuing with further study.



# *rural financial counselling division*

During May 2012, a general break to the season saw many primary producers off to a great start. With optimism evident within regional communities, rural financial counsellors worked closely with clients early in the year to plan for the future. Once again the use of Plan 2 Profit software was a popular tool throughout the year with 22% of counsellor time spent with clients on business planning.

As in previous years, there were challenges for many of our agricultural industries. Specifically cattle and sheep prices were historically low and the citrus industry had to manage the effects of the high Australian Dollar on their returns. Meanwhile, the grape industry started to see confidence return to prices after many years of downward trends.

The dairy industry was a focus during the past year. Global trade conditions, combined with domestic issues including \$1 milk offered through major supermarkets, drove on-farm milk prices down and for many producers these were the harshest trading conditions of a lifetime.

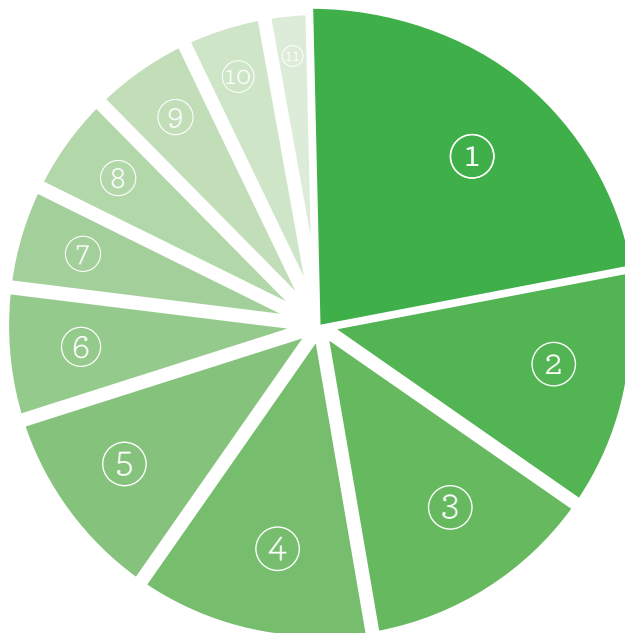
In a seasonal twist that took all industries by surprise, rainfall in the 2012 season virtually stopped in August.

This unseasonal dry saw cereal crops mature without finishing rains, livestock feed diminish and summer crops and horticulture that were dependent on late year rains record significant downturns in production. In some isolated locations, the word drought was used to describe conditions and in the south east of the state, some locations received their lowest rainfall recording on record for the eight months up until May 2013.

Fodder prices in the early months of 2013 rose to lofty heights having an impact on all livestock industries and grape producing regions, including the Barossa Valley, noted massive reductions in yield due to low moisture levels at critical times during the growing season.

The long dry spell came to an end in May of 2013 where good falls were recorded across the state and the season started again.

- ① Business Planning **22%**
- ② Business Debt Mediation **13%**
- ③ Succession Planning (Pre-Referral) **13%**
- ④ Centrelink Assistance (Not EC) **13%**
- ⑤ TFFP/ CCAP related work **10%**
- ⑥ Other **8%**
- ⑦ Personal Assistance (Pre-Referral) **5%**
- ⑧ Viability Analysis **5%**
- ⑨ Cash Flow Analysis **5%**
- ⑩ EAP related work **4%**
- ⑪ Representation with Client **3%**



## CASE STUDY

# *farm debt mediation*

Richard and Kate had a 4,000 acre mixed farming enterprise of cropping and sheep in the upper north of South Australia.

A poor season culminated in an increasing debt level and four years ago they sold half the farm and share farmed the remaining 2,000 acres. Richard sought off-farm work.

A house was purchased freehold with proceeds from the sale of the land and the remainder was directed to debt reduction on the remaining business loan.

Over the next four years they experienced poor seasonal conditions and it became apparent that their choice of share farmer was not a good one. Life for Richard and Kate away from the farm was busy and unfortunately the lack of accountability by the share farmer cost them dearly.

The remainder of the property was listed on the market in 2011 and 18 months later, after reducing the asking price twice, still remained unsold.



Richard and Kate contacted Rural Business Support through a referral from their lawyer and a meeting was arranged. Options as to how the loan, that was now in default, could be paid or at least brought back into terms, were discussed. They made changes to their personal affairs to improve their financial position and as a result presented a proposal to the bank that enabled them to continue with interest only payments until the property was sold.

Unfortunately the proposal was rejected by the bank who wanted the property sold within a specified time. They then requested a mediation meeting.

A mediator was agreed and the date set. In all, eight people attended the meeting, Richard and Kate, their lawyer, the rural financial counsellor, two bank representatives, bank lawyer and the mediator.

With the support of the rural financial counsellor and the attendance of an independent mediator at the meeting, Richard & Kate felt much less threatened and after four hours an agreeable outcome was reached by both parties.



*Photo courtesy of PIRSA*



# summary financial report

The majority of income recognised in 2012/13 was grant funding under the Australian Government's Rural Financial Counselling Service (RFCS) Program. RBS is currently funded by both the Australian Government and the Government of South Australia to provide rural financial counselling in SA through until June 2015.

In early 2013, RBS was successful in obtaining additional funding from the Australian and Northern Territory Governments to undertake a trial of RFCS in NT. While the trial is on a fly-in/fly-out basis for four fortnights throughout 2013, it is hoped that a more permanent position may be funded in the future to meet the existing demand for assistance.

The Government of South Australia also provided support for project work in 2012/13. The *Invest in Yourself* program, funded through *Skills for All* in the Riverland was highly successful. RBS managed a series of farm business forums with PIRSA to investigate the business skills gaps to be addressed in agriculture in SA. These projects contributed 2% of revenue for the year.

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.

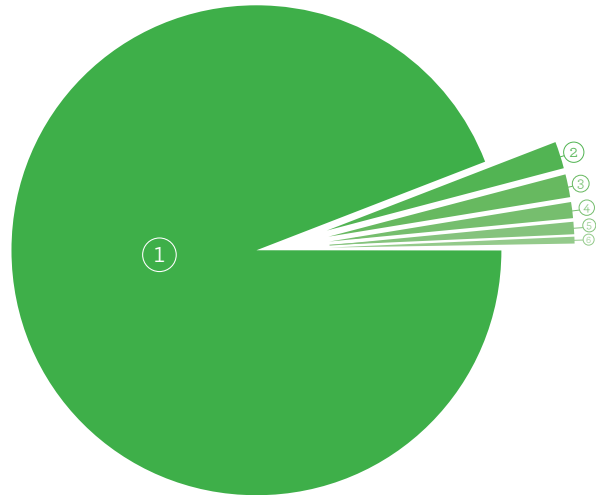
The RBS Balance Sheet remains in a healthy position, with an accumulated surplus of \$508,504.



## *income 2012/2013*

*(consolidated)*

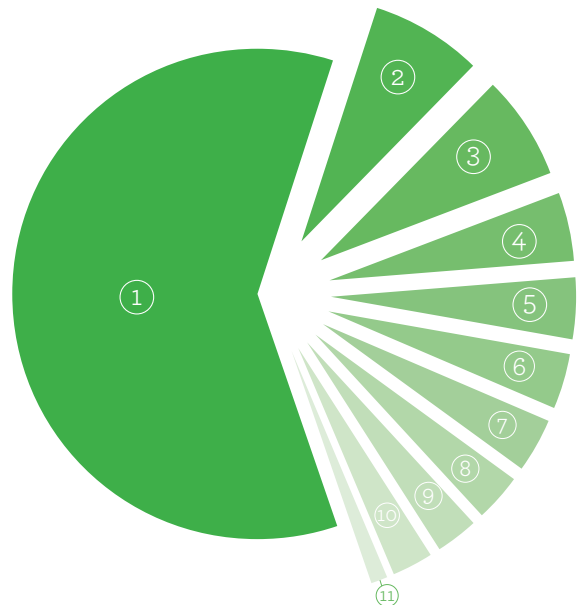
- ① RFCS Program (Aust and SA Govt) **94%**
- ② Bank Interest **2%**
- ③ Farm Business Skills (SA Govt) **2%**
- ④ NT RFCS Trial (Aust and NT Govt) **1%**
- ⑤ Other Income **1%**
- ⑥ Invest in Yourself (SA Govt) **0%**



## *expenditure 2012/2013*

*(consolidated)*

- ① Employment Related Expenditure **60%**
- ② Office Accommodation Costs **7%**
- ③ Motor Vehicle Costs **7%**
- ④ Board Costs **4%**
- ⑤ Marketing and Promotions **4%**
- ⑥ Other Costs **7%**
- ⑦ Depreciation **4%**
- ⑧ IT & Communication **3%**
- ⑨ Project Costs **3%**
- ⑩ Professional Development **3%**
- ⑪ NT RFCS Trial Expenditure **1%**





**RURAL BUSINESS SUPPORT**

## 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

### 7 Lower Murray & Mallee

Grant Crettenden  
M: 0417 849 705

### 8 South East

Charlie Goode  
M: 0417 816 826

**Freecall 1800 836 211 | [www.ruralbusinesssupport.org.au](http://www.ruralbusinesssupport.org.au)**

Supported by the Australian Government and the Government of South Australia