



Rural Financial Counselling Service
New South Wales



ANNUAL REPORT 2021-22
CHANGE AND GROWTH





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ACKNOWLEDGEMENTS

We'd like to show our respect to the traditional custodians of this land on which we work and meet. We also acknowledge and respect Elders past and present, and emerging.

We would also like to recognise the Australian Government and the National Resilience and Recovery Agency, for funding our services.



Australian Government



**SIGNIFICANT
ACHIEVEMENTS
FOR FY22:**

CHAIR REPORT

DAVID NEEDHAM

BOARD CHAIR



EXPANSION OF SERVICE DELIVERY INTO THE CENTRAL REGION OF NSW

This year has been one of significant change and growth for the organisation, from how and where we do business, to whom we report to.

The foundations for this growth and our ability to manage the change were laid over the last few years but our success during this period has been a result of great work from all our people. Despite the changing environment, RFCS NSW have stayed focused on our purpose of strengthening communities by helping rural and regional businesses be prepared, responsive and sustainable.



CHANGE IN ENTITY STRUCTURE

We continue to do this by:

- Offering free, unbiased, independent, confidential, and expert financial counselling and support to farmers, fishers, foresters and other rural businesses that are experiencing, or at risk of, financial hardship; and
- Providing clients with the appropriate tools, skills, knowledge, and referrals to enable them to regain financial and emotional independence

Organisation change and achievement

On 1 July 2022 the organisation changed from an incorporated association to a company limited by guarantee. The change in org structure was due to the increasing size of the organisation and to ensure we continued to comply with ASIC and Funding Deed requirements. This resulted in the organisation being issued with a new ABN (57 649 413 936) and having to novate our current Deeds of Grant.

Whilst the impact of this change was minimal, it provided us with an opportunity for the Board to review our organisation's governance framework. This review resulted in several adjustments, and the growth of the Board.

Board change and achievement

This year saw the retirement of two longstanding Board members, Brian McCleary and Paul Sullivan.

Brian was associated with the service for over 30 years, first commencing as a Director of the Deniliquin Rural Financial Counselling Service. With his strong finance background Brian was committed to helping local farmers improve their business management skills and providing support to the local community.

Paul had been associated with the service for over 30 years, first as the Director of the Monaro Rural Financial Counselling Service. Paul was a fierce advocate for the farming community of the Monaro region and had a strong commitment to locals helping locals, embedding counsellors in local communities.

We welcomed two new Board members, Diana Fear and Michael Kemp.

Diana is a farmer in the Central West and CEO of the Central West Farming Systems. She serves as a Board Member of Regional Development Australia Central West (RDACW) and works with the Board and RDACW staff to develop initiatives to better enable the Central West region to grow sustainably.

Michael brings extensive farming and corporate experience to the board including roles as Governor of the ASX Derivatives Trading Floor Committee, and as an executive with Goldman Sachs. Michael grew up on a family farm and currently manages a mixed farming enterprise in the Central West producing prime lambs, cattle, wool, wheat, oats, canola, barley and hay.



6,674 CLIENTS ASSISTED IN THE RFCS PROGRAM



370 SMALL BUSINESSES ASSISTED IN THE RSBS PROGRAM



4.75/5.00 CLIENT SATISFACTION RATING

Funding bodies

On 1 July 2022 the administration of the Rural Financial Counselling Service Program moved from the Department of Agriculture, Water and Environment (DAWE) to the National Resilience and Recovery Agency (NRRRA), established in response to the Royal Commission into National Natural Disaster Arrangements to support communities impacted by disaster, with a strong on-the-ground presence and a guiding principle of locally-led recovery.

The Rural Financial Counselling Services Program plays an important role in this locally-led recovery with Counsellors embedded in local communities helping farmers and small business owners to prepare for and recover from natural disasters.

From 1 September 2022, the NRRRA and Emergency Management Australia (EMA) will merge to form the National Emergency Management Agency (NEMA), combining the efforts of both agencies. Administration of the RCFS Program moves to NEMA from 1 September.

NSW Government

In FY 2021 FY the NSW Government withdrew funding from the Rural Financial Counselling Program for the 2022 Financial Year, bringing an end to over 20 years of continuous support and commitment.

This was a major issue as this meant seven Rural Financial Counselling roles ceased at 1 July 2021, reducing the service's reach across the state and its capability to respond to natural disasters.

During the FY 2022 we continued to work closely with management of the NSW Rural Assistance Authority (RAA), to assist farmers impacted by mouse plagues, Japanese Encephalitis, floods, storm damage and Varroa mite disease.

In May 2022, Minister of Agriculture, and Minister for Western New South Wales Dugald Saunders announced the NSW Government was going to reinstate their funding commitment from 1 July 2022 for a three-year period.

We would like to thank NSW Government on behalf of the regional and remote communities of NSW for their ongoing support.

External environment

The operating environment for farmers and small business owners was extremely difficult again this year with challenges including Covid lockdowns, interest rate rises, supply chain delays, staff shortages, natural disasters and bio security issues

Continued financial pressure from these events and conditions meant demand for our service remained high, as business owners and farmers were stretched physically, mentally and financially.

These challenging times highlight the importance of, and need for, financial counselling services. Whether it is help accessing Government assistance, making decisions, planning, or recovering, RFCS NSW is proud to be there to provide people with a hand up during tough times.

Financial position

The organisation remains in a strong financial position, including:

- Equity - \$2,528,647
- Revenue - \$7,103,296

This is an increase in revenue of \$2.65m from last financial year, due to the expansion of the RFCS contract, and includes \$6,451,818 of program funds.

- Surplus funds - \$610,856

At the end of the year the Service had surplus funds of \$610,856, which will be carried forward and utilised over the next 24 months. These surplus funds relate to the timing of contracts and the time lag of employing staff.



OUR BOARD



David Needham



John McArthur



Laureta Wallace



Paul Sullivan



Brian McCleary



Fiona Jolly



Anita Kemp



Michael Kemp

Board	29/07/2021	30/07/2021	24/09/2021	24/09/2021	25/11/2022	31/01/2022	08/02/2022	15/02/2022	24/02/2022	25/02/2022	28/02/2022	25/03/2022	27/05/2022	10/06/2022	16/06/2022	ELIGIBLE	ATTENDED
David Needham	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	14	12
Paul Sullivan		●	●	●	●	●	●	●	●	●	●	●	●	NR	NR	12	11
Brian McLeary	●	●	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	4	2
Laureta Wallace	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	14	14
John McArthur			●	●	●	●	●	●	●	●	●	●	●	●	●	14	12
Anita Kemp	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	14	14
Fiona Jolly	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	14	13
Michael Kemp	NR	NR	NR	NR	NR	NR	NR	●	●	●	●	●	●	●	●	7	7

Key: General Meeting Annual General Meeting Meeting by Circular Resolution Board Induction (non-meeting day) Planning Day

EXECUTIVE OFFICER'S REPORT

DAVID GALLOWAY

EXECUTIVE OFFICER



While the 2022 Financial Year held incredibly challenging periods for the organisation, our staff and our clients; RFCS NSW continued to embrace change and evolve into new areas of demand, with the core functions of our service needed more than ever before.

From 1st July 2022, after successfully tendering for new regions, we commenced delivery of the Rural Financial Counselling Program and Regional Small Business Support Program in the Central region of NSW.

This means RFCS NSW are now responsible for providing financial counselling services to farmers and small business owners across 75 per cent of the state.

A marked increase in service delivery area meant prioritising the immediate recruitment and induction of new staff, opening new offices, building relationships with key stakeholders and raising awareness of the service with potential clients. This was made even more challenging, when in early July, NSW was placed into Covid lockdown again.

The lockdown was extended in the Dubbo region until early October after cases were detected throughout the Central West.

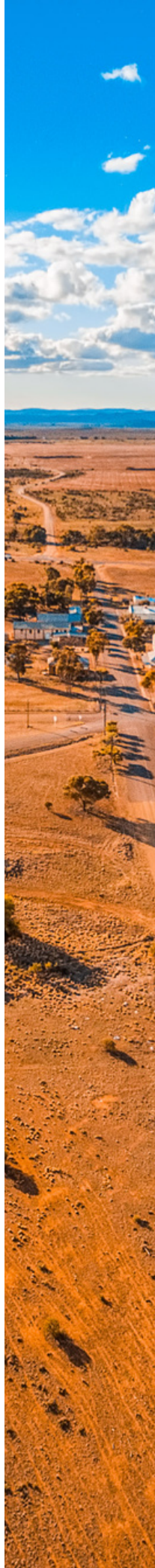
Despite these complications RFCS NSW was able to achieve some fantastic results and, most importantly, continue to assist our clients recover from the effects of disaster or adjust their business to rapidly changing environments.

Our FY22 achievements include:

- Implementation of a new Service Delivery Model across the business focused on helping clients be successful
- Implementation of a new Customer Relationship Management software
- Onboarding new staff and supporting them as they worked remotely during Covid lockdown
- Opening eight new offices
- Meeting revised reporting requirements for our Programs.

Farmers and small business owners continue to operate in a difficult and changing environment and as a result we have seen an increase in those at risk of experiencing financial hardship and in financial distress. This is evidenced by:

- An increase in agricultural loans more than 90 days past due in NSW increasing to \$317m in NSW alone. This is 1.2% of total debt and is about 578 individual loans
- Over 2,500 farmers remaining on FHA through the 2022 FY with 890 hitting the 4-year entitlement mark



As at 30 June 2022 18% of small business owners said they will find it difficult to meet their financial commitments over the next 3 months. The most impacted industries are:

- Education and Training (34%)
- Transport and warehouse (35%)
- Accommodation and Food services (32%)

As a result, we have seen increasing demand for the services RFCS NSW provide throughout the year with our Financial Counsellors conducting more than 6,000 financial counselling sessions with farmers and small business owners.

Additionally RFCS NSW worked closely with the Financial Counselling Association of NSW to ensure our Rural and Small Business Financial Counsellors met industry standards in capability, supervision and professional development and that these standards are tailored to the needs of Rural and Small Business specialists.

We also collaborated with the National Resilience and Recovery Agency, the Rural Assistance Authority, and Department of Primary Industries in reaching out to farmers and small business owners to ensure access to the support they needed. We thank them for their continued support.

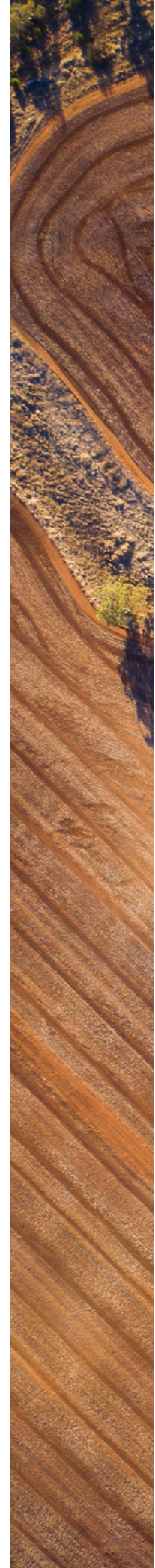
FY22 will be looked upon in subsequent years as a watershed moment in the history of RFCS NSW.

Our expansion into the majority of the state's geographic footprint cements the importance of our service to the rural communities of NSW and I extend my heartfelt appreciation to the committed staff of our organisation who worked ceaselessly to ensure each small part of this massive challenge was achieved.

Emerging Key Risks

The Company's risk management policy is updated annually with identified risks reviewed at each board meeting. During the year a separate strategic risk review was completed to identify events that could impact the achievement of our objectives. Throughout the 2022 FY we were monitoring the following key risks:

- COVID-19 and its associated risks to staff wellbeing, health, safety and our ability to assist clients.
- Funding continuity following the decision of the NSW state government to not fund the RFCS program in 2022 FY
- Client servicing and staff training following addition of the NSW Central Region to the RFCS and Small Business program servicing area
- Staff competency, professional advice, and licensing exemptions



RFCS NSW Executive Officer

David Galloway

Management Team

Georgiana Garland	PROJECT & CHANGE MANAGER
Kyle Shook	CORPORATE SERVICES MANAGER
Anna Jeffries	STAKEHOLDER & COMMUNICATIONS MANAGER
Brad Ristivojevic	RISK & COMPLIANCE MANAGER
Glenn Daley	OPERATIONS MANAGER
Emma Smithson	HR MANAGER
Carl Scroope	RFC COORDINATOR
Susan Kelly	RFC COORDINATOR
Robert McGorman	RFC COORDINATOR
Renee Goring	SMALL BUSINESS PROGRAM MANAGER
Brett Dodson	SMALL BUSINESS PROGRAM MANAGER

Financial Counsellors

Kasche DeGoldi	Graeme Wittee	Marine Morton	Olivia Coulahan
Julie Casey	Linda McLean	Elke Cleverdon	Sharon Bull
Victoria Boag	Kevin McCrum	Fiona Taylor	Amelia Richardson
Sue Bunyan	Jess Keemink	Peter Muirhead	John Beer
Allison Davis	Alison Gregory	Richard Dowsett	Liz Brown
Sarah Diggelmann	Toby Ellis	Clare Boardman	

Small Business Coaches

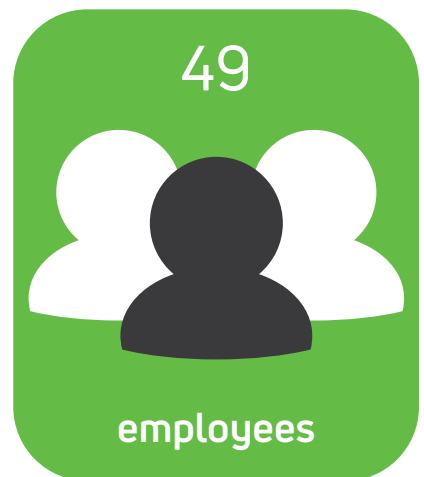
Glen Stewart	Geoff Lisle	Simone Eyles	Court Sayer-Roberts
Brittany Lando	Flick Hamilton	Belinda Harris	

Support Staff

Anke Rudolph	BUSINESS ANALYST
Elise Hawthorn	COMMUNICATIONS OFFICER
Krista Scannell	CORPORATE SERVICES OFFICER
Kelly Churchill	BUSINESS ANALYST
Janet Menefy	ADMINISTRATION ASSISTANT
Rhianna Cameron	BUSINESS ANALYST
Kay Thompson	GRANTS & PROJECTS OFFICER



6,674 client's helped in 2021-22



10,719

contacts to our service
(across phone and email)



24%

1800 Phone calls



76%

Email

Reach

73,330

people reached on our three
social media channels



70,089



2,843



398



17,609

website page views



550

outreach events attended



6,610

counselling sessions



902

networks added in our system

RURAL FINANCIAL COUNSELLING SERVICE PROGRAM

RFCS Program Objectives

1. Transition clients out of financial crisis

"RFCS was able to assist me to articulate and to quantify the adverse impacts of the flood events. He followed up and supported me during the process."

2. Improve profitability or facilitate a dignified exit

"The counsellor made it easy to have a meeting at our home or the office & give us as much time as we need with out rushing us. Great help when you we were making a big decision on transferring our farm to our son."

3. Improve financial wellbeing and resilience

"RFC did great work for us getting together cash flows and financial statements, also giving us a true understanding of our financial requirements."



OUR IMPACT

OUR STRATEGIC



Diversify Funding



Client Service



Supporting
Business
Owners



Local
Communities

OBJECTIVES



cal
unities



Governance



Financial
Counselling



Professionalism

1. Diversify Funding

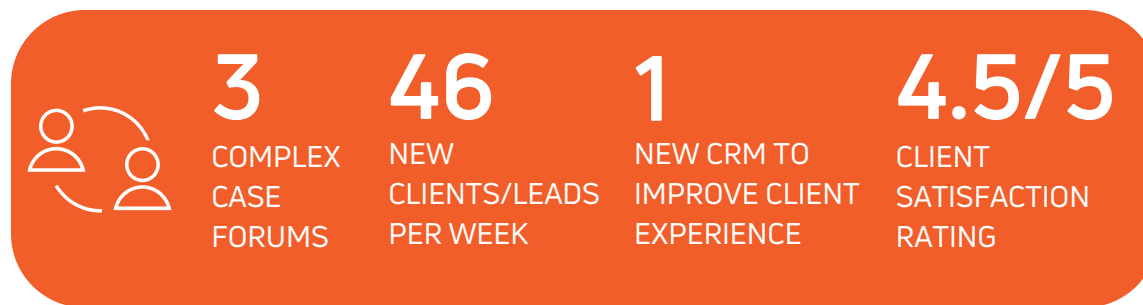
Strengthen the sustainability of the organisation through diversity of funding

Grant Applications 01 March 2022 - 30 June 2022



2. Client Service

Provide efficient and effective financial counselling services around NSW



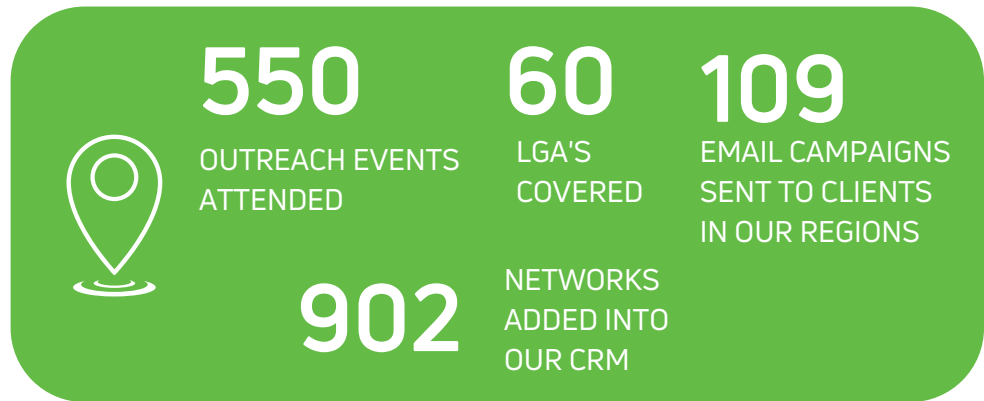
3. Supporting Business Owners

Support business owners in financial hardship to build their resilience and recovery



4. Local Communities

Engage and work with our local communities to build strong and dynamic communities



A lot of people said they didn't know about the Rural Financial Counselling Service and now they have the information and understanding to come and seek help. I think they did a great job of explaining how easy it is to get in touch and how helpful it could be whilst destigmatising the idea that the service is only for people in financial ruin.

NETWORK CONTACT AT OUTREACH EVENT



5. Governance

To continue to be a respected and well governed charity



We're always on the lookout for new avenues of gathering client feedback to use the insights and data to drive improvements in our service delivery. From putting our client's at the centre of everything we do, targeted training for all employees and professional development sessions.

KYLE SHOOK,
CORPORATE SERVICES MANAGER



6. Financial Counselling

Build our standing and influence within the Financial Counselling Industry

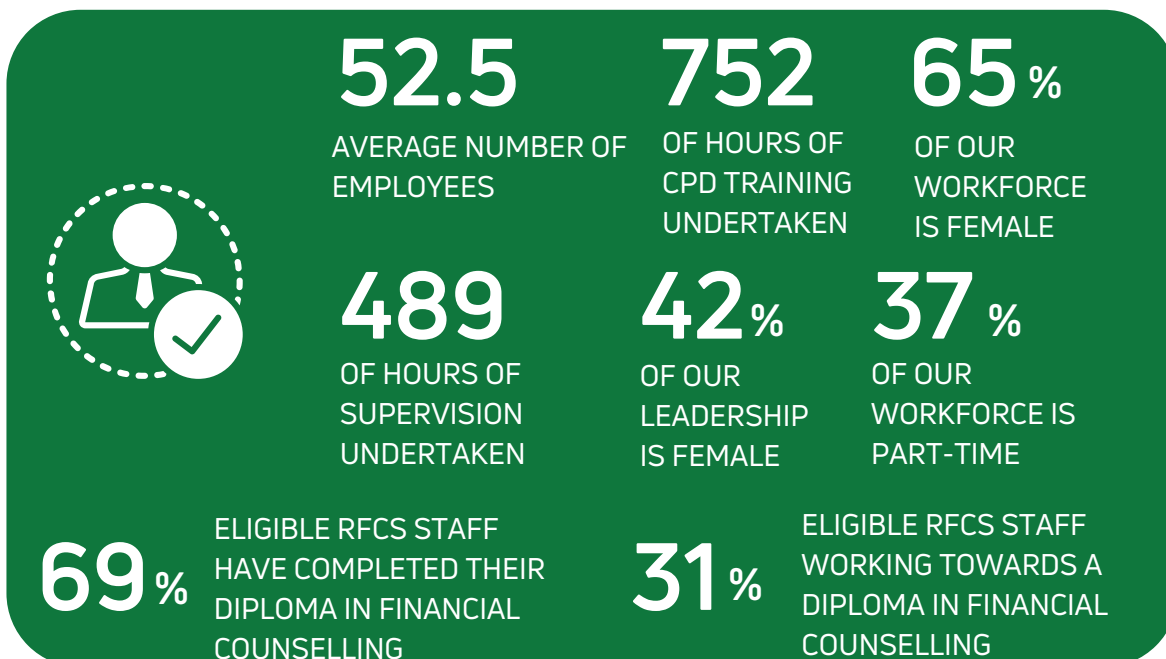


The peer supervision program is incredibly generous and supportive in providing mentoring, insight, advice and counselling.
RURAL FINANCIAL COUNSELLOR



7. Professionalism

Build a team of highly effective, qualified and professional staff that are embedded in their local community





The ideal RFCS NSW culture is one where our people feel good about how they contribute to the broader goals of the organisation and how that translates into valuable and sustainable outcomes for our clients and the communities in which they live. One of the key strategies to building this culture is positive relationships which are developed through open and honest feedback.

**EMMA SMITHSON
HR MANAGER**





Rural small business support program

REWiRE PROGRAM OUTCOMES

1. Assist eligible small businesses to understand their financial position

"My experience was so positive and provided so much support. My coach allowed me to process clearly where our business was at, the challenges we faced and a clear way to move forward."

2. Collect data about the demand for small business financial counselling

"I found the whole experience helpful, insightful and a great support in helping me diversify from a service-based business to include products such as educational programs that add value to my clients and my business model"

3. Test innovative approaches to service delivery

"My coach has been absolutely brilliant, and the support they've given us in going over our financials to benchmark our business and also looking at our long term strategy has been really helpful".



OUR IMPACT



370 small businesses helped in 2021-22



**BUSINESS
REVIEW**

Complete a financial analysis of the businesses recent and historical performance and its current financial position. This often includes benchmarking the business against industry standards.

80%

CLIENTS COMPLETED A BUSINESS REVIEW



**BUSINESS
PLANNING**

Develop business plans and assist clients to be able to set future goals for them and their business.

95%

STATED IMPROVING BUSINESS PLANNING SKILLS AS THEIR MAIN REASON FOR ACCESSING THE SERVICE



**SUPPORTED
IMPLEMENTATION**

We help our clients through the process of implementing changes and aiding in any challenges they may experience along the way.

\$264,928.92

IN COMMONWEALTH FUNDING CLIENTS WERE ABLE TO ACCESS TO SUPPORT THEIR BUSINESS

Very knowledgeable and kept in regular contact, they took the stress and worry away from me.



RFCS CLIENT

Following the sudden death of their spouse, our client found themselves trying to deal with their grief whilst taking on the pressure of managing the operational side of the farm business. In a short period of time the situation was complicated by a total crop failure. The client's mental and physical wellbeing deteriorated, the financial management of the farm business started to slip, and family conflicts began to appear as the client's elderly parents tried to help.

When our financial counsellor was engaged, they discovered the client had the following immediate needs:

1. Support for their mental wellbeing
2. Repairing the relationship with the Bank - the client owed over \$4 million but had not engaged the bank for over 12 months, resulting in a Farm Debt Mediation process
3. Renegotiation of finance facilities - a temporary overdraft limit of \$1.2 million was due to reduce to the base limit of \$500k within a month, and six equipment finance contracts as well as two term loans were in arrears.
4. A business plan for the farming business - family members were trying to assist in the day to day running of the farm but there was no business plan in place to guide them.

Our Counsellor spent considerable time with the client, providing them advice and counselling on their current situation, their options and how to move forward. Key actions and interventions our Financial Counsellor put in place include:

1. Discussing mental wellbeing with the client and encouraging them to see their doctor for a mental health plan, referring them to their local support provider.
2. Meeting with the bank to identify possible solutions to the finance facilities and Farm Debt Mediation process.
3. Meeting with all family members to discuss what they wanted from the farm business.
4. Drafting a business plan, budget and cashflow, explaining to the client their current position and exploring their options.
5. Referring the client to a local Ag Consultant who provided agronomy services, guidance, and input into the plan

The client has now significantly improved their mental wellbeing, successfully navigated the farm debt mediation process, sold non-core assets, reduced debt down to \$2 million and consolidated their term loans, equipment finance and overdraft.

They provide monthly financial and agronomy reports to the bank, showing budget to actual, and have developed and implemented a business plan that includes clear roles for all family members. All the terms of the Farm Debt Mediation have been met, the client is no longer in financial hardship and they have a business plan in place to continue successfully running their farm business.

I would highly recommend the REWiRE program for anyone who finds themselves in the same predicament. The level of help and support provided to me has been exemplary and personally has made a huge difference through a difficult time. Without my financial counsellor's expert and dedicated approach, I would not be where I am now.

REWiRE CLIENT



The client was referred to our Small Business Financial Counsellor from their local Business Enterprise Centre. The client had been operating a café for over five years but after the Covid 19 pandemic hit they were having trouble navigating the recovery process.

Our financial counsellor discovered the client had the following immediate needs:

1. Cash shortfalls - the business had seen a reduction in cashflow following the pandemic as customers had not returned as quickly as expected, with many still working from home.
2. Support for their mental wellbeing - the client was struggling with motivation after managing the business through the pandemic and was exhausted.

Our Small Business Financial Counsellor meet with the client and prepared a Statement of Financial Position. The SBFC prepared several cashflows, allowing the client to explore all options for moving forward. Our Counsellor talked to them about their goals and what they wanted to achieve.

After careful consideration, the client decided to shut their business.

The Financial Counsellor helped develop a workable set of goals and achievable timelines and with frequent communication, encouragement, knowledge and support, was able to calmly help navigate a chaotic situation.

The Financial Counsellor helped the client to:

- Contact creditors and negotiate payment terms,
- Work with their accountant to resolve outstanding tax lodgements
- Engage with a recruitment company to find suitable employment.

Since the client's business closed, they have managed to find work, have started earning income, have seen significant improvements in their mental wellbeing and have start servicing their creditors. The level of support offered has enabled the client to move from a position of despair to one of fresh hope.

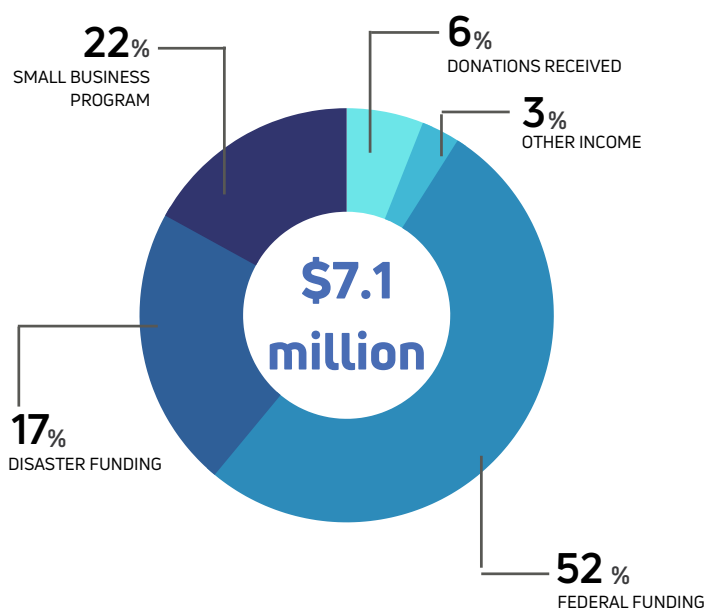


FINANCIALS

INCOME BY FUNDING STREAM

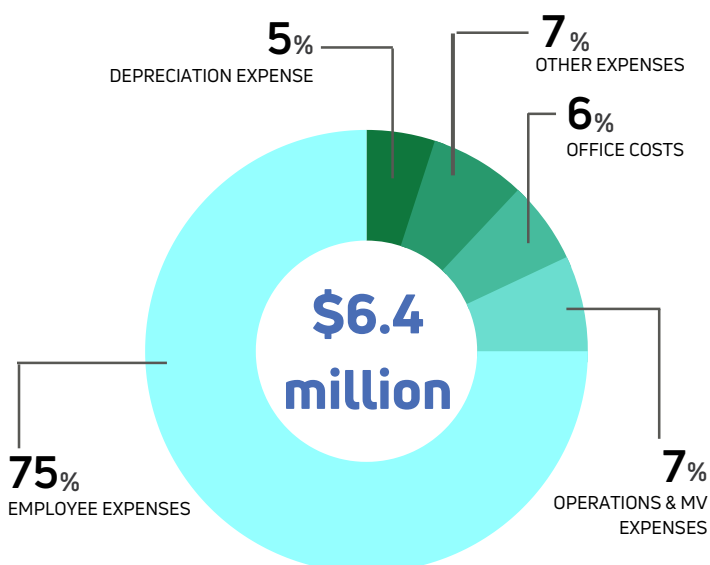
RFCS NSW experienced a 59% increase in revenue vs. the prior financial year primarily due to successfully winning the tender for the NSW Central Region. Providing services for both the Southern and Central Regions has brought greater economies of scale to our organisation which ultimately provides a better experience for our clients.

Although disaster funding decreased by \$912k year over year, it still made up 17% of our revenue. This funding allowed for additional support in Southern NSW region where primary producers are still recovering from the impact of bushfires.



EXPENSES BY TYPE

While employee costs represent 75% of our overall costs, we have also made significant investments in our systems and processes. For example, we have implemented a new Learning Management System for training counsellors and a new customer relationship management (CRM) system that is specifically designed for the unique services we offer.





Our RFC had an excellent understanding of what is being a farmer entails balanced with what help could be there. She regularly gave us advice/feedback, allowing us to look at alternatives for moving away from the impacts of natural disasters. She was as helpful as could possibly be, reassuring us that there was a calm point of contact, where advice could be given so we could evaluate each situation. She was very valuable in a structured voice, not only financially but on a personal support level. Most important was that we felt comfortable in disclosing our personal information to her. Not an easy thing for us or many others.

RFCS NSW CLIENT

