



## Welcome Ag Bureau Members

This is our quarterly news service delivered to all Agricultural Bureau branches across the state, informing you about projects, events and trials occurring across particular regions

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Brenda Anderson brings an abundance of experience to her newly appointed role

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# Chairman's Report

## Mark Grossman 2012 in the closing

**W**elcome to the second edition of the Ag Bureau E-News, serving to keep our membership, sponsors and partners informed of ABA plans, activities and achievements and promoting our organisation. This E-News is your newsletter so if branches have information, reports or photos they wish to have included, please send it in to our communications officer.



2012 has been a challenging year for many on the land, a year of mixed fortunes for our primary producers with many being affected by adverse weather conditions of extended dry with low rainfall, frosts and reduced commodity returns. The thoughts of board members are with all bureau members and rural communities.

The Advisory Board of Agriculture has recently appointed a new Executive Officer with the appointment of Brenda Anderson. Brenda's appointment will greatly assist the Advisory Board with their planning to progress the Bureau movement forward and into the future. I also wish to thank Evelyn Poole for her assistance as our EO over the past 2 years.

2013 will mark the 125<sup>th</sup> Anniversary for the Agricultural Bureau of SA Inc. I encourage branches to help celebrate this milestone by holding events to not only look back at our past, but to also move our organisation forward in giving recognition to our rural communities and primary producers. Events can be promoted in the E-News, the Ag Bureau SA web-site or on our Facebook page.

Finally, as your chairman and on behalf of Board members I wish to extend Seasons Greetings for the coming Christmas to all and hope we can all enjoy a productive and successful year in 2013.

### **Mark Grossman**

Chairman

Advisory Board of Agriculture

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**Agricultural Bureau**  
of South Australia Inc.  
PATHWAY TO IMPROVEMENT



# E-News

## Latest News

### Ag Bureau's new Executive Officer

**W**elcome to the new Executive Officer, Brenda Anderson. Brenda has worked for the SA Government for about 20 years in various departments - starting in the Department of Agriculture and finishing up in the Department of Water. She brings a broad range of skills and knowledge including her farming background (small dairy farm in Victoria) and formal qualifications in agricultural science and agribusiness. Brenda has held senior positions working with farmers, rural communities, cross government projects and providing executive services to many boards and committees. She is looking forward to working with the Board and you will hear more from her as she settles into the role.



## Latest News

### Progressing Drought Reform

The Advisory Board has recently been briefed on the development of the new drought policy for farmers as outlined below:

**Source: DAFF (Department of Agriculture, Fisheries and Forestry News, 2nd November 2012)**

Reform of Australia's drought policy is another step closer with Commonwealth, State and Territory Governments agreeing on the framework for a national drought package.

The new national framework, scheduled to be implemented from 1 July 2014, will help farmers proactively address risks and prepare for challenges associated with drought.

Ministers from across the country agreed at the Standing Council of Primary Industries meeting in New Zealand that a new package should include:

- a farm household support payment;
- promotion of Farm Management Deposits and taxation measures;
- a national approach to farm business training;
- a coordinated, collaborative approach to the provision of social support services; and
- tools and technologies to inform farmer decision making.

Minister Ludwig said programs included in the new package will be available at all times, without the need for a drought or Exceptional Circumstances declaration.

“Until the new programs are implemented there will be assistance available to farming families suffering hardship including the Transitional Farm Family Payment, Exceptional Circumstances assistance, Farm Management Deposits Scheme and through the Rural Financial Counselling Service,” Minister Ludwig said.

If you want more information, please visit the DAFF Website, <http://www.daff.gov.au/agriculture-food/drought>



## Projects

### 20:20 Carbon Challenge

#### Increasing soil organic carbon of sandy soils

This project has been funded by Caring for our Country and is to be completed in 2013. It has already: undertaken in-depth sampling of 3 sites; selected 6 demonstration sites and collected baseline data from those sites; completed a soil C audit for 42 sites; established a database of modified soils on Eyre Peninsula and in the South East; and seen the commencement of a PhD student undertaking associated research.

Below are links to trial reports recently completed for a few different sites:

#### [South East Trial Report](#)

#### [Grocock & Young Trial Reports](#)

Please contact David Davenport at Rural Solutions on 0427 201 956 or email [david.davenport@sa.gov.au](mailto:david.davenport@sa.gov.au) for more information

# RURAL SOLUTIONS SA



Australian Government

Department of Agriculture, Fisheries and Forestry  
National Landcare Program



Government  
of South Australia

Department of Environment,  
Water and Natural Resources

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## Sponsors Corner



### What are markets pricing in for future RBA cash rate moves?

November 2012

Opportunities arise when interest rate markets expectations overshoot the eventual movements in the official cash rate as determined by the Reserve Bank of Australia (RBA). Whilst the current cash rate stands at 3.25%, domestic interest rate markets are forecasting that in six months time the cash rate will be 2.75%, a drop of 50 basis points from its current rate. These forecast future movements in the cash rate are already being reflected in current fixed rate pricing.

As you can see by the graph below, implied rate cuts currently being priced into domestic interest rates (the red line) are being unwound and as this occurs the gap between the current cash rate (the black line) narrows. We last saw this after the GFC and a similar trend is potentially emerging now as it did in 2009 when fixed and variable rates bounced 2% in just under six months.

Hedging all or part of your interest rate exposure can be a prudent tool to manage both your business risk and to take advantage of opportunities in the market such as those outlined above.

### Implied Cash Rate: 6 Months Ahead



Westpac  
Institutional  
Bank

Chart 4

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# E-News

## Sponsors Corner

If you would like to discuss this in more detail please contact your Westpac Financial Markets representative, Ken Butler on 08 8230 2063 or [kbutler@westpac.com.au](mailto:kbutler@westpac.com.au). Alternatively, contact your local Relationship Manager.

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**Westpac Institutional Bank**



## Sponsors Corner



### RSM Bird Cameron

#### GPS - Guiding People in Success



According to RSM Bird Cameron director Brenton Scott, when it comes to long-term farming success nothing succeeds like solid succession planning  
**At a glance...**

▶▶ There are many drivers of succession plans. They include the fact that 60 per cent of farmers have indicated their intention to retire over the next 10 years

▶▶ Succession plans often stall because some parents are reluctant to transfer assets without adequate protection in the event of; relationship breakdown, death, disability, early disposal of the farm or even insolvency by the younger generation

▶▶ Income tax, capital gains tax, superannuation rules, domestic relationship laws are complex and continually evolving. And just for good measure, stamp duty laws, trust laws and family provision laws vary from state to state

It is hard to imagine broadacre farming without GPS technology. But while a GPS will work well on any farm, succession planning can be a complete success, or an absolute disaster, or somewhere in between.

Many previous generations have been able to pass assets and decision making to the next generation in a simplistic manner.

However, as technology has changed the landscape, so too have the expectations of all family members when it comes to dealing with the future ownership of the farm.

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#### Expectations

Another is the long-term trend of increasing land prices has raised the expectations of non-farming children.

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**Continued next page...**





## Sponsors Corner

Nevertheless, a well-designed succession plan with the appropriate safeguards will invariably reduce the financial impact of any of the above events.

One of the alarming trends in agriculture is the ever-increasing desire to contest the wishes of the will maker. Prevention is always easier to manage than cure, whether it be weeds, or insects, or disputed wills. Understandably, farming parents and children wish to minimise the impact of any will challenge.

### Options

This can be achieved by placing valuable farming assets in trust or superannuation structures and making sure that the control and succession of those structures is in order.

Needless to say, the succession plans of these structures should not be guided from the will. Each family has their own set of circumstances and the cookie cutter approach will rarely work.

It is therefore vital to use the skills of a specialist accountant and legal adviser to make sure all issues are identified, whether they be financial or emotional. The team-of-advisers approach should see the family achieving its desired result.

A good adviser will understand the vagaries of farming and appreciate that many farmers see their role as custodians of the farm for future generations.

Income tax, capital gains tax, superannuation rules, domestic relationship laws are complex and continually evolving. And just for good measure, stamp duty laws, trust laws and family provision laws vary from state to state.

What a pity we can't set the GPS, sit back and guide the process of handing on the family farm through the maze of options. Brenton Scott is a director of RSM Bird Cameron specialising in taxation, succession planning and farm management.

**RSM will provide Ag Bureau members with a free one hour consultation to discuss their issues.** For more information, please feel free to contact Brenton Scott on 08 8232 3000 or [brenton.scott@rsmi.com.au](mailto:brenton.scott@rsmi.com.au). Alternatively, speak to our Pt Lincoln Partner, Steven James on 08 86822077.

*This article is not intended as specific business advice and readers are recommended to seek professional advice before making any decisions.*