

final report

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Developing and piloting a financial and business management training workshop for beef and sheep producers in the rangelands areas

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Executive Summary

The Business EDGE product was borne out of producer demand for improved business skills and financial literacy. Since its inception it has been attended by over 500 participants across 33 courses and is identified as the most successful of the EDGE products.

The learnings from delivering the initial material across Northern Australia, the findings of the Northern Beef Report and the need to extend coverage beyond beef only producers necessitated the updating of the course material.

The updated material has drawn on the strengths and timeless principles of the initial material, and is much improved as a result. The material has been piloted and refined and is now ready for delivery.

The key strength of the Business EDGE material is that it uses principles, concepts and terminology that are taught in business courses and used in boardrooms across the business world, and applies them to extensive grazing businesses.

The updated Business EDGE provides the means to improve the business skills and financial literacy of managers of extensive grazing businesses, for which there is a recognised need.

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1 Background

The original BusinessEDGE course was launched in 2010. Since then, over 500 northern beef producers have attended the thirty-three two-day workshops conducted right across northern Australia. The below table lists the (post pilot) workshops held, pilot workshops were held in Roma, Charters Towers and Broome.

Workshop Location	Dates
Roma, QLD	11 & 12 April 2011
Barcaldine, QLD	14 & 15 June 2011
Biloela, QLD	20 & 21 June 2011
Taroom, QLD	26 & 27 July 2011
Charters Towers, QLD	10 & 11 August 2011
Katherine, NT	23 & 24 August 2011
Mitchell, QLD	20 & 21 September 2011
Gin Gin, QLD	18 & 19 October 2011
Nebo, QLD	8 & 9 November 2011
Mackay, QLD	14 & 15 February 2012
Gympie, QLD	20 & 21 March 2012
Alice Springs, NT	20 & 21 March 2012
Clermont, QLD	18 & 19 April 2012
Longreach, QLD	26 & 27 April 2012
Cloncurry, QLD	1 & 2 May 2012
Katherine, NT	22 & 23 May 2012
Charleville, QLD	29 & 30 May 2012
Goondiwindi, QLD	29 & 30 May 2012
Rockhampton, QLD	19 & 20 November 2012
Townsville, QLD	22 & 23 November 2012
Toowoomba, QLD	27 & 28 November 2012
Katherine, NT	28 Feb & 1 March 2013
Hughenden, QLD	7 & 8 March 2013
Mt Isa, QLD	11 & 12 March 2013
Roma, QLD	14 & 15 March 2013
Dalby, QLD	10 & 11 October, 2013
Springsure, QLD	30 & 31 October, 2013
Toowoomba, QLD	27 & 28 November, 2013
Charters Towers, QLD	6 & 7 March, 2013
Roma, QLD	23 & 24 July 2014
Rockhampton, QLD	14 & 15 August, 2014
Hughenden, QLD	9 & 10 March, 2015
Cloncurry, QLD	12 & 13 March, 2015

The Business EDGE has been identified as the most successful of all the EDGE courses. Based on this success, MLA requested an update of the course to keep it relevant and incorporate new information.

2 Projective objectives

The course needed to be updated to incorporate:

- Change to the original course based on the primary presenter experiences of what worked well and what did not, after delivery of over 30 workshops.
- Inclusion of a second enterprise (a sheep flock) for those regions where both beef and sheep were managed. The objective here was to broaden the applicability of the course.
- The addition of new data, specifically from the most recent Northern Beef Situation Analysis.

The overall objective of the project was an updated and improved business extension product with applicability to red meat producers throughout the Rangelands and Northern Australia.

3 Methodology

Producer evaluation summaries and presenter experience were used to review the existing material and determine what improvements could be made to the existing material and what the new version would look like. The new material includes a sheep flock, two new case studies based on NBR data, and new & updated spreadsheet based decision support tools

A lot of the principles covered are timeless business principles, applied to agriculture, and therefore did not require a major change. However the text and delivery material relating to some principles (e.g basic accounting principles) was completely re-written, where it was decided it could be improved upon. Additional activities were developed to assist in learning and key sections highlighted in the form of call-out boxes.

All sections were either re-ordered, combined and/or completely re-written. When this process was complete the draft reference notes were sent to MLA for review. Following this review, the reference notes were edited as required after this review and the powerpoint slides and teaching material were prepared for a pilot workshop in Longreach.

Following the pilot workshop (refer separate report on pilot) the material was refined and finalised, before submission to MLA.

4 Results

The project resulted in an updated and improved Business EDGE product, which builds on the quality and success of the old material. It delivers a means of providing business skills and financial literacy to red meat producers throughout the rangelands and Northern Australia, whereas the previous product was specific to beef producers in Northern Australia.

5 Discussion

Not applicable

6 Conclusions/recommendations

The need for Improved business skills and financial literacy are increasingly being focussed on within the industry. This updated material provides the means for directly addressing this for Northern and Rangelands Australia. It will be complemented by the Southern version when it is rolled out in due course.

One of the key qualities of the Business EDGE material (previous and updated) is that it is based on established business and finance principles, concepts and terminology. The concepts taught are the same as are covered in accounting, finance, MBA courses and used in boardrooms throughout the business world. The difference between the Business EDGE and the courses in the business world is that the Business EDGE directly relates and applies the concepts and terminology to extensive grazing businesses. The Business EDGE is based on the fundamental tenet that extensive grazing businesses, whilst having unique opportunities, challenges and risks, are first and foremost businesses, and should be managed as such.

The original concept of the Business EDGE was borne out of a producer survey identifying that there was significant information relating to technical aspects of the business (reproduction, genetics, nutrition etc.) but that the area of business and financial management was an area where producers were least confident and wanted more information. Now that a product has been created, delivered and refined, it is important that the technical information be consistent with and complement the material outlined in the Business EDGE (& the Northern Beef Report) and relate to the overall business result.

The Business EDGE should be positioned and promoted as the primary product for improving business skills and financial literacy of managers of extensive grazing businesses. Other extension activities in this area should be consistent with and complement the Business EDGE.

7 Key messages

The key to improving long term individual business performance is to better understand business performance and what drives it, which the Business EDGE does.

The Northern Beef Report identified that the majority of grazing businesses are not generating sufficient profits to fund current and future liabilities. It also identified that there is significant variation in business performance, within and across regions. Whilst the Northern Beef Report was focussed on beef producers in Northern Australia, its findings will have relevance to the producers and region covered by the revised Business EDGE material.

The Northern Beef Report made 6 key recommendations, applicable to both producers and R,D&E activities. The updated Business EDGE material directly addresses 4 of these (1,2,3 and 5 below).

1. Improve financial literacy and debt management
2. Understand profit drivers
3. Focus on increasing income
4. Improve climate risk management.
5. Manage expenses.
6. Match stocking rates to long term carrying capacity.

Uptake and implementation of Business EDGE by producers will improve industry performance.

8 Bibliography

Northern Beef Report (B.COM.0348)

9 Appendix

Refer to previous Business EDGE material and revised Business EDGE material lodged with MLA