

# final report

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Bestprac

**Focused Thinking and Action**

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### **Abstract**

The Bestprac project was developed to improve arid zone Rangeland wool and meat producing businesses' profit, environment and wellbeing. Bestprac is a unique program, as it is delivered at a National level across four States and involves 230 businesses, eight facilitators and a National Project Advisory Panel. The project is delivered with the underlying theory of Continuous Improvement and Innovation. The aim of this delivery method is to increase the rate of adoption and innovation within groups. Typically Bestprac Groups participate in a combination of workshops, field days, research trials or study tours.

The project has produced results that indicate that 83% of Bestprac participants implemented changes in practice as a result of Bestprac. These changes have been in the areas of financial management, livestock management, environmental management, people skills and well being. 80% of Bestprac participants were satisfied and indicated that Bestprac had met their expectations.

This report has been prepared for MLA to demonstrate how Bestprac has achieved the project objectives.

## **Executive Summary**

The Bestprac project began in 1997 and was developed to improve arid zone Rangeland wool and meat producing businesses' profit, environment and wellbeing. Bestprac involves Rangeland wool producers participating in small groups to apply management systems that improve individual productivity, growth and whole business performance (lifestyle, profit and environment) and viability.

Each group works with a facilitator to improve skills and confidence in Rangeland property and livestock management. Groups identify projects that have the potential to progress a business towards achieving their goals. Targeted skills training and/or on farm research projects focus learning and improve confidence in decision making.

There are currently 28 groups operating throughout South Australia, New South Wales, Queensland and Western Australia. A total of 230 businesses participate in the project with approximately 4,880,000kg of wool produced annually by these businesses. In total the Bestprac participants manage approximately 863,200 sheep per annum. Participation of each of the groups varies in length. Some groups have participated since start-up and others have only started in the wake of the 2002 drought. Even though the participation time has varied, a recent Financial Evaluation has demonstrated that the Payback Period for producer's investment in the program is Year 1 with a benefit: cost ratio of 2:1.

Throughout the life of the project, other evaluations were conducted. These have demonstrated that the Bestprac project has met its objectives. The recent Impact Evaluation reported that 80% were satisfied and stated that Bestprac had met their expectations. 83% implemented changes in practice as a result of Bestprac and 70% got more out of the program than they expected via significant, unexpected or 'unintended' benefits. As Bestprac participants have learnt more about their production system, the following changes and improvements within businesses were made:

- Reduced mortalities through the supplementary paddock feeding of sheep
- Lotfeeding lambs for specific market niches
- Modified wool marketing strategies
- Improved lambing percentages through ram testing and feeding, nutritional management of ewes and changing the timing of lambing
- Increased wool production through improved pasture management (primarily a shift from set stocking to rotational grazing)

The most significant achievements of Bestprac participants throughout the lifetime of this project have been:

- Financial management changes that have been implemented into the business, such as growth and succession strategies, annual benchmarking and off-farm investments
- Environmental systems have been implemented into businesses such as EMS, QA, Vegetation testing with PIRD funding and V-Gate Green Tick Accreditation
- Social systems have been improved and developed including mental health seminars, all family members being involved in Bestprac meetings and group support and networking
- Leadership skills have been developed with Bestprac members involved in local and national industry groups, Nuffield Scholarship program, Farmer of the Year program and public speaking at events like the World Merino Conference.

The Pastoral wool and meat industry is already benefiting from this project – today. The Bestprac project has empowered, motivated and up-skilled over 250 producers over the lifetime of the project. This is a significant industry segment and as these people filter their knowledge through their local networks the industry as a whole also benefits. Producers have been exposed to other positive producers, cutting-edge research and development and the profitable and exciting possibilities for the industry.

Bestprac has been a successful, beneficial and rewarding project for everyone involved. For anyone involved in this project, there is only one conclusion that can be made; this project has met its objectives. The PAP and the current National Coordinator of Bestprac have been planning and developing the next version of the Bestprac project. It is hoped that further funding will be provided by the funding partners so that the success and impact of the Bestprac project can continue into the future.

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# **1 Background**

## **1.1 Background**

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The Bestprac project started in 1997 with 14 groups and 8 facilitators. During the last ten years the project has evolved into a network of approximately 230 pastoralists with eight facilitators supporting them. The toughest time for project participation was during and after the 2002 drought. This period proved challenging as some groups left the project and new groups were formed. The groups that have come through this period and formed as a result of the drought are a 'new breed' of groups, with strong relationships within the group and an increased resilience to the challenges of the pastoral environment.

Bestprac is a network of arid zone Rangeland wool and meat producers who participate in small facilitated groups. Bestprac was developed to improve Rangeland wool and meat producing businesses' profit, environment and wellbeing, through implementation of management systems, designed and developed during the project. Each group meets four times per year to work on learning projects that are focused on predetermined needs and wants. Fundamentally, this involves working through an annual process involving:

- ▶ Benchmarking / Situation analysis
- ▶ Identification of high impact projects that have the potential to improve their business
- ▶ Identification of new skills and knowledge that is required to implement high impact projects
- ▶ Implementation of projects
- ▶ Benchmarking / Situation analysis to gauge the impact

The Bestprac project is managed by a National Coordinator. This role reports to a National Project Advisory Panel (PAP), which consists of pastoralists involved in the project and delegates from Australian Wool Innovation Limited. The PAP has played a crucial role in the success of this project at a National level. This dedicated team of producers and industry representatives has ensured that the project has been implemented in an effective and efficient manner.

Funding for Bestprac delivery has come from various sources. These include:

- ▶ Meat and Livestock Australia
- ▶ Australian Wool Innovation
- ▶ Individual business contributions
- ▶ FarmBis (in some States)

## **2 Project Objectives**

### **2.1 Overall Project Objectives**

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By 31 December 2006, the consultant will:

1. Distribute funding from MLA to Bestprac Groups to a maximum of \$2,000 per group per annum, to assist them to meet the following group objectives:
  - a) Bestprac participants will apply management systems to increase individual profit, environment and well being by 5%.
  - b) Increase the number of groups from 40 to 48 by 30/6/2006 and maintain this number of groups
  - c) Increase specialist Rangeland sheep producers involved in the Bestprac network to 318.
  - d) Increase the rate of adoption of new management practices by Rangeland sheep producers.
  - e) All participants to benchmark KPI's in relation to both wool and sheep meat industries
2. Monitor progress by Bestprac groups in achievement of objectives
3. Utilise fees of \$12,000 per annum to promote, market and on-sell MLA products and services to Bestprac Groups (including Edge network and PIRDs)
4. Provide MLA with historic, current and future benchmarking and membership data from each of the Bestprac Groups

### **2.2 Technical Deliverables**

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1. The existing Bestprac network is reinvented and operationally effective by June 2007.
2. There is effective networking within and between groups and between facilitators
3. Well established and productive partnerships are evolving between the Bestprac network and the research, development and innovation service providers.

## **2.3 Project Scope**

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- ▶ Bestprac involves Rangeland wool producers participating in small groups, to apply management systems that improve individual productivity, growth and the whole business performance (lifestyle, profit and environment) and viability.
- ▶ Each group works with a facilitator to improve skills and confidence in Rangeland property and livestock management. Each group meets four times per year. The initial meeting generally involves benchmarking production, financial, social and natural resource management indicators. Groups then identify projects that have the potential to progress a business towards achieving their goals. Targeted skills training and/or on farm research projects focus learning and improve confidence in decision making.
- ▶ The whole project is managed nationally. The role of the National Coordinator is to:
  - ▶ Monitor implementation of the project across Australia.
  - ▶ Help State Coordinators achieve project deliverables.
  - ▶ Provide communication opportunities for the project.
  - ▶ Manage the budget and administration milestones.
- ▶ Bestprac will equip participants with thinking skills, processes, techniques and tools that will move businesses forward. The project is based on the premise that to impact on performance, there needs to be new thinking, that leads to new decisions resulting in action. Practice change nearly always follows planning, whether formal or informal.



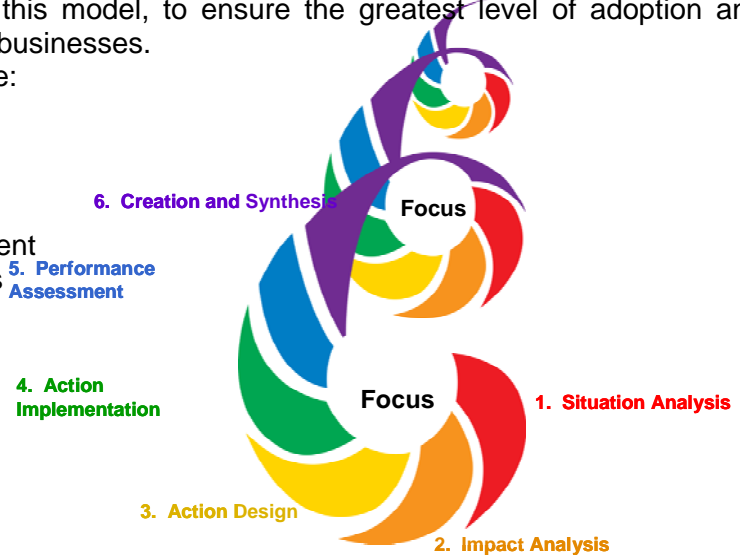
### 3 Methodology

#### 3.1 Project Delivery

- ▶ Project delivered throughout Australia in the Pastoral zone. States involved in the project are:
  - South Australia
  - Western Australia
  - Queensland
  - New South Wales
- ▶ The project was delivered by sub-contractors to Rural Directions Pty Ltd and employees of Rural Directions Pty Ltd.  
The delivery team included:
  - Lloyd Dunlop, Queensland DPI
  - Emily Martin, AgriGate
  - Mick Alexander, Dream Achievers
  - Mark Gardner, M & C Gardner & Associates
  - Trudie Atkinson, NSW DPI
  - Rosemary Bartle, Rural Business Solutions Pty Ltd
  - David Heinjus, Rural Directions Pty Ltd
  - John Squires, Rural Directions Pty Ltd
- ▶ The project was managed by Rural Directions Pty Ltd in Clare, South Australia. The management team was lead by David Heinjus, National Coordinator.  
This role was supported by:
  - John Squires
  - Carlyn Mellors
  - Sarah Heinjus
  - Kate Fuller
  - Chelsea Muster
- ▶ Project delivery follows Continuous Improvement and Innovation (CI&I) Theory, all facilitators undertook training in this process. Once the facilitators were trained in this theory, they had the skills and knowledge to use this model, to ensure the greatest level of adoption and innovation within the participating businesses.

The CI&I process follows this cycle:

- Situation Analysis
- Impact Analysis
- Action Design
- Action Implementation
- Performance Assessment
- Creation and Synthesis



- ▶ Delivery Information
  - Groups meet four times per year. Meeting one is generally a benchmarking/situation analysis report back session. Benchmarking is conducted prior to meeting one, usually on a one-on-one basis, on-property.
  - Groups are benchmarked at the start of each year and from here their strengths and weaknesses are identified. Issues identified through the SWOT analysis form the basis for the workshop topics for the remainder of the meetings/workshops.
  - Workshops are delivered by the group facilitator, guest speakers or group members themselves.
  - Groups generally meet on-property.
  - Groups form a relationship with each other that exists beyond the Bestprac program.
- ▶ Typically Bestprac Groups participate in a combination of workshops, field days, research trials or study tours. Workshop topics that have been covered include:
- ▶ Gross Margins – comparing wool to meat
  - Supply Chain Management
  - Marketing
  - Calculating Salary Packages
  - Wean More Lambs Trial
  - Pasture Cropping
  - Estimating stocking rates and carrying capacity
  - Succession Planning
  - Goal Setting
  - Feedlotting lambs versus selling
  - Feed assessment/fodder budgeting
  - Depression/Drought awareness
  - Cattle versus sheep analysis
  - Cost of production analysis of wool and meat
  - Grazing Management
  - Regional branding
  - Organics
  - Benchmarking
  - Property planning
  - Feed budgeting
  - Nutrition management
  - Property planning – fencing and watering systems
  - Establishing wool demand chains
  - EU – Eco Label wool
  - Wean More Lambs trials
  - Wool Cheque demonstration
  - Condition scoring of sheep
  - Manage climate variability
  - Business system development

### ► Articles and newsletters

- A Bestprac newsletter is produced and distributed to all members and stakeholders every quarter
- The newsletter focuses on industry events, relevant trial information, project updates and group reports
- The Bestprac newsletter is a popular publication among members as it keeps them informed about the project and other activities within their industry and district
- Bestprac members have previously been featured in the AWI publication - Beyond the Bale
- See Appendices for examples of the Bestprac Newsletter produced by Rural Directions Pty Ltd

### ► Networking events

- Bestprac groups have participated in networking activities that bring together members from different groups and regions. Networking events usually involve field days, property visits or trial work.
- A South Australia Bestprac Innovation Forum was held on the 29th and 30th March 2007 at Hawker. The focus of this Forum was 'Innovation in the Rangelands'. The presenters included Bestprac group reports, Bestprac members sharing the innovations they have applied in their businesses, MLA, Sheep CRC, Blowfly Control (AWI) and DrizaBone Activ. The Forum was opened up to all Bestprac participants from across Australia and it successfully attracted 40 pastoralists and 25 industry representatives.

## **3.2 Project Evaluation**

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- ▶ Project Start-up Survey
  - When a new member joins Bestprac they complete a brief survey about their business' production, environment condition and their attitude to the industry.
  - This data is then entered into the central project database; the collected data provides an insight into the 'starting point' for Bestprac participants. This data has become a useful resource for facilitators and researchers involved in the Bestprac project.
- ▶ The Mid Term Evaluation was conducted by Roberts Evaluation Pty Ltd
  - The aim of the evaluation:
    - Measure the progress of the Bestprac program throughout Australia using Bennett's Hierarchy as a basis
  - Evaluation methodology
    - This evaluation was focused around the Bennett's Hierarchy to measure the progress of the project to this point (2005)
    - Participants completed a self-administered questionnaire. This was designed to gather baseline data about their involvement in the project and the changes that have occurred as a result of this involvement
    - After the initial survey was completed, in-depth interviews with selected producers and groups were undertaken
    - Finally the researcher conducted targeted telephone interviews of participants to determine the extent that the project contributed to KASA and practice change
    - Importantly in this evaluation, both participants and non-participants in the Bestprac project were interviewed.
- ▶ The Impact Evaluation was conducted by RM Consulting Group from December 2006 to February 2007
  - The aims of the evaluation:
    - Provide insights into subtle changes in social, financial and environmental conditions, practice and knowledge, attitudes, skills and aspirations;
    - Understand why wool producers come and go from programs like Bestprac; and
    - Determine what mechanisms need to be put in place to have adoption of information and practice change from non participants.
  - Evaluation methodology
    - The Bestprac PAP wanted more from the evaluation process and in the Evaluation Logic prepared for this evaluation used the term insightful. The PAP was after "deep" insights into subtle changes in social, financial and environmental conditions, practice and knowledge, attitudes, skills and aspirations. The PAP needed to understand why wool producers come and go from programs like Bestprac and what mechanisms need to be put in place to have adoption of information and practice change from non participants.
    - Using Bennett's Hierarchy as a foundation, the evaluator developed the following evaluation methodology:
      - A postal survey of 36 Active Producers

- Telephone interviews with 20 Active Producers to explore issues raised in the postal surveys
  - Telephone interviews with each of the Bestprac facilitators
  - Telephone interviews with the PAP
  - Telephone interviews with six industry researchers
  - Telephone interviews with 15 Non-participant Producers
  - Attendance at two Bestprac producer meetings where a brief Focus Group was conducted
  - Future Planning Workshop, discussion of results with PAP to determine evaluation recommendations
- ▶ The Financial Evaluation of Selected Case Study Properties was undertaken by EconSearch Pty Ltd in April 2007
  - The objectives of the evaluation were:
    - quantify the net financial impact of participation in the Bestprac program;
    - qualitatively assess the social and environmental benefits and costs of participation in the Bestprac program; and
    - undertake a 'what-if' analysis on the results of the financial analysis to account for the impact of drought
  - Evaluation Methodology
    - The primary source of information for the analysis was direct consultation with the owners of the two case study properties. Data was obtained through semi-structured on-farm interviews with the property owners and subsequent phone and email consultation. The following broad questions were directed towards interviewees:
      - Over the period of your participation in Bestprac, describe and quantify any financial benefits that are directly attributable to your participation in the program
      - Describe and quantify the costs of participation in the program
      - Discuss the nature of any social and environmental benefits (or costs) that are directly attributable to your participation in the program
      - Over the period of your participation in Bestprac, indicate the extent to which these impacts would have differed with average rainfall conditions

## 4 Results and Discussion

### 4.1 Project Results

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- ▶ Project Start-up Survey
  - When a new member joined Bestprac they completed a brief survey about their businesses production, environment condition and their attitude to the industry.
  - The data collected during the project has provided the following information about Bestprac participants; below is some of the information collected on a national basis:
    - 189 businesses have participated in Bestprac
    - The total annual wool production of all of these businesses is 4,880,677kg, total wool production per business is 25,824kg
    - Each business sells an average of 992 lambs per year
    - The average number of sheep per business is 4,567
  - New members to the project reported the following attitudinal information at the start of the project:
    - 75% felt confident that there is a positive future for the Rangelands Wool Industry
    - 89% felt confident that there is a positive future for the Rangelands Sheep Industry
    - 97% felt that their business is able to adopt innovations that will potentially move their business forward
    - 97% felt their business will be able to cope with future industry trends
- ▶ The Mid Term Evaluation was conducted by Roberts Evaluation Pty Ltd
  - Aims of the evaluation:
    - Measure progress of the Bestprac program throughout Australia using Bennett's Hierarchy as a basis
  - Evaluation results
    - 68% have found Bestprac very useful, particularly in regards to learning from others and learning skills in financial management.
    - With the current membership costs, 66% were very satisfied that Bestprac represented value for money.
    - 40% indicated the most useful knowledge gained through Bestprac was financial management.
    - 34% had changed management practices on their property as a result of Bestprac.
    - 13% had diversified their business
    - 12% had improved their documentation,
    - 12% had improved their marketing and selling practices
    - 8% had improved their overall business management practices
    - 36% indicated that the changes they had made because of Bestprac had increased their profit. 25% believed they had increased their production, but could not yet see an increase in profit.

- 54% indicated they had been surprised at the support and relationships developed through Bestprac. 32% were surprised at the number of new ideas they had learnt.
  - Producers not involved in Bestprac have a relatively accurate perception of Bestprac. They described it as “a group of local producers” who “benchmark” and “conduct a business planning program” with the “support of a facilitator”. The reasons why they are not involved in Bestprac were quite varied, and provide an insight into the range of reasons the broader community of producers are not involved in Bestprac.
- Impact Evaluation was conducted by RM Consulting Group
- The aims of the evaluation:
    - Provide insights into subtle changes in social, financial and environmental conditions, practice and knowledge, attitudes, skills and aspirations;
    - Understand why wool producers come and go from programs like Bestprac; and
    - Determine what mechanisms need to be put in place to have adoption of information and practice change from non participants.
  - Core results included:
    - **Overall outcomes and satisfaction**
    - The program offers a unique and valuable service to arid-zone pastoralists.
    - Approximately 230 producers are currently involved.
    - The program enjoys a high level of customer satisfaction and produces some significant positive outcomes for producers. Questionnaire respondents reported that as a result of the program:
      - 70% changed their attitude and 30% felt more confident as a result of Bestprac
      - 80% were satisfied and stated that Bestprac had met their expectations
      - 83% implemented changes in practice as a result of Bestprac
      - 70% got more out of the program than they expected - significant, unexpected or ‘unintended’ benefits
      - 28% identified improvement to their businesses’ profitability as a result of Bestprac, despite the drought
      - 34% identified improvements in the environmental condition of their properties
      - 30% identified their wellbeing has improved, either in terms of their individual mental health or their relationships.
    - However, the main strengths of the program for producers are primarily the ‘exchange [of] ideas, improvements, innovations and technologies’ and the peer support that that involves, improving producer wellbeing
    - Most producers did not feel able to attribute changes to their triple bottom line performance (notably profitability) to the program because the program has not occurred in isolation and has coincided over the last few years with drought conditions. However, all participants seem to feel that their businesses have benefited significantly from the encouragement they have received ‘to have a good look at our business and see where we can improve’. Some participants,

notably those most established in the program, credit the program with marked improvements in their business direction, style and profitability.

- Producers have a high degree of satisfaction with their facilitators' performance.
- Overall, producers have a strong desire for the program to continue as it is.

#### **Content and delivery**

- The program's delivery model of small, self-directed groups of producers is key to the success of the program, especially in the eyes of the participants.
- There is a high degree of inter-group variability in the content and activities of the program, including the use of financial benchmarking, involvement in research and interest in environmental sustainability.
- There is a high degree of variability in the role facilitator's play in the groups.

#### ► The Financial Evaluation of Selected Case Study Properties was undertaken by EconSearch Pty Ltd in April 2007

- The objectives of the evaluation were:
  - quantify the net financial impact of participation in the Bestprac program;
  - qualitatively assess the social and environmental benefits and costs of participation in the Bestprac program; and
  - undertake a 'what-if' analysis on the results of the financial analysis to account for the impact of drought
- The evaluation criteria employed for the financial evaluation were as follows:
  - Net present value (NPV) – discounted program participation benefits less discounted program participation costs. Under this decision rule, participation in the Bestprac program was considered to be financially profitable if the NPV was greater than zero.
  - Benefit-cost ratio (BCR) – the ratio of the present value of benefits to the present value of costs. Under this decision rule, participation in the Bestprac program was considered to be financially profitable if the BCR was greater than one.
  - Payback period – the year in which program participation breaks even.
- Evaluation Results

Property	NPV	BCR	Payback Period
A	\$86,000	2.0	Year 1
B	\$26,000	1.3	Year 1

- The most significant change to the business that could be directly attributed to participation in Bestprac included:
  - Reduced mortalities through the supplementary paddock feeding of sheep
  - Lotfeeding lambs for specific market niches
  - Modified wool marketing strategies (i.e. forward contracts)
  - Improved lambing percentages through ram testing and feeding, nutritional management of ewes and changing the timing of lambing
  - Increased wool production through improved pasture management (primarily a shift from set stocking to rotational grazing)
  - Modified wool marketing strategies (i.e. forward contracts and staggering sales)
  - Restructuring of loans to access a more competitive rate of interest; and



- Diversification of income sources
  - The existence of unquantified net social and environmental benefits associated with participation in the Bestprac program implies that the result of the financial evaluation understates the true worth to the business of participation in the program.
  - Given the modest costs associated with participation in the program (i.e. membership, travel and time), it is likely that there are net financial benefits attributable to most participating businesses, particularly for those that have continued their membership through the life of the program.

## 4.2 Discussion

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- ▶ The results of the four evaluations demonstrate that the Bestprac project has met or moved towards meeting the following group objectives:
  - Bestprac participants will apply management systems to increase individual profit, environment and well being by 5%. Bestprac participants will increase the rate of adoption of new management practices by Rangeland sheep producers.
    - The three independent evaluations that were undertaken all had the aim of demonstrating if this objective had been met
    - These evaluations have shown that participants have changed management practices on their property as a result of Bestprac and that these changes have increased profit
    - Participants have reported changes in environmental management
    - Participants have reported an increased well being, that was in some cases an unexpected and very worthwhile benefit of this project
    - 83% of Impact Evaluation respondents indicated that they have implemented changes in practice as a result of Bestprac
    - As Bestprac participants participate in programs in addition to Bestprac, we cannot definitively demonstrate the 5% increase in profit, environment and well being is attributable solely to Bestprac. We can, however, insightfully estimate that participation in Bestprac has been a contributing factor to this improvement and that businesses are well positioned to quickly recover post drought.
  - Increase the number of groups from 40 to 48 by 30/6/2006 and maintain this number of groups and increase specialist Rangeland sheep producers involved in the Bestprac network to 318.
    - Current records have indicated that there are 230 participants in Bestprac
    - There are 28 groups operating at this point
    - The finishing of groups through the natural group cycle and the prolonged drought conditions are factors that have limited group development and start-up
- ▶ As a result of conducting these evaluations, some new useful insights have been gained, these include:
  - Producers within the pastoral wool industry are a very positive group of people with an optimistic view of the future of the Rangelands wool and sheep industries
  - A large percentage of participants indicated that they were 'surprised' at the support and relationships developed through Bestprac.
  - The role of the facilitator is the key to the success of the group and the outcomes that they achieve.

## 5 Success in Achieving Objectives

### 5.1 Success in Achieving Objectives

Objective	Success Factors	Evidence
Group Objective – Bestprac participants will apply management systems to increase individual profit, environment and well being by 5%.	<ul style="list-style-type: none"> <li>▶ Application of financial, environmental and social management systems</li> <li>▶ Profit benchmarking demonstrates an increase in profit by 5%</li> <li>▶ Environmental measurement indicates an increase in environmental management systems by 5%</li> <li>▶ Benchmarking to measure improvement in wellbeing by 5%</li> </ul>	<ul style="list-style-type: none"> <li>▶ Financial management systems and changes implemented by participants:               <ul style="list-style-type: none"> <li>○ Annual benchmarking review</li> <li>○ Growth strategies</li> <li>○ Succession planning</li> <li>○ “Defies the odds of the district”</li> <li>○ “Situation is not as bad as what people think”</li> <li>○ Structural adjustment</li> <li>○ Undertaken bookkeeping training</li> <li>○ Off-farm investments</li> <li>○ Education about financial institutions</li> <li>○ Marketing</li> <li>○ Investment in infrastructure</li> <li>○ Remote monitoring</li> <li>○ Auto-drafting</li> <li>○ Fencing (Grazing Management)</li> <li>○ Feeding systems</li> <li>○ Watering systems</li> <li>○ Access to grants such as Exceptional Circumstances and Green Tick Accreditation</li> </ul> </li> <li>▶ Environmental Systems implemented by participants:               <ul style="list-style-type: none"> <li>○ Environmental Management Systems (EMS)</li> <li>○ Quality Assurance programs</li> <li>○ Re-vegetation programs</li> <li>○ Cell and/or rotation grazing</li> <li>○ Feral animal control (Noorawa)</li> <li>○ PIRD – Vegetation testing (North East Pastoral Group)</li> <li>○ EnviroFund (QLD)</li> <li>○ V-Gate Green Tick Accreditation (Bollon)</li> <li>○ Rabbit ripping and box thorn control (Carrieton)</li> <li>○ Organic Accreditation (Wilcannia)</li> </ul> </li> <li>▶ Social Systems implemented by participants:</li> </ul>

		<ul style="list-style-type: none"> <li>○ Community support networks</li> <li>○ Mental health seminars</li> <li>○ Men's health seminars</li> <li>○ Networking and support within groups (BBQ's and networking between groups)</li> <li>○ All family members involved in the business</li> <li>▶ Leadership skills developed by Bestprac participants: <ul style="list-style-type: none"> <li>○ Membership in industry groups</li> <li>○ Farmer of the Year (Wilcannia)</li> <li>○ Runner-up Farmer of the Year (Wilcannia)</li> <li>○ Nuffield Scholar (Wilcannia)</li> <li>○ Public Speaking (World Merino Conference, International Organics Conference and Rangeland Conferences)</li> </ul> </li> <li>▶ Due to the difference in systems and approaches to gathering, recording and presenting this information it is difficult to determine if there is a direct relationship between Bestprac and an increase in profit, environment and wellbeing, what we do know is: <ul style="list-style-type: none"> <li>○ South Australian Bestprac Benchmarking report demonstrated that the businesses involved in Bestprac had made a profit for the years they'd been involved in the program</li> <li>○ Because Bestprac is undertaken with other environmental management programs, the direct impact of this one program cannot be measured</li> <li>○ We do know that friendships and networks are formed through this program</li> <li>○ Mental health is topic often covered in this program and group members are comfortable to discuss their personal issues with the group</li> <li>○ Groups worked hard at start-up to develop confidence and trust with one another, this was only possible with a confidentiality policy that all members agreed to</li> <li>○ Drought is a hard time and members found that having the Bestprac network there to support them actually helped them to get off the property and to look beyond their current situation</li> </ul> </li> </ul>
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Objective	Success Factors	Evidence
Group Objective – Increase the number of groups from 40 to 48 by 30/6/2006 and maintain this number of groups	<ul style="list-style-type: none"> <li>▶ Records of group numbers and membership</li> </ul>	<ul style="list-style-type: none"> <li>▶ Currently there are 28 Bestprac groups across four states with eight facilitators</li> <li>▶ Maximum group numbers was 28 groups</li> <li>▶ Less than 10 groups stopped operating as a result of the drought, some producers even said that if it wasn't for Bestprac they wouldn't have survived the drought</li> </ul>
Group Objective – Increase specialist Rangeland sheep producers involved in the Bestprac network to 318.	<ul style="list-style-type: none"> <li>▶ Records of group numbers and membership</li> </ul>	<ul style="list-style-type: none"> <li>▶ Currently there are 230 Rangeland sheep producers actively involved in the Bestprac network <ul style="list-style-type: none"> <li>▶ Total participation currently at 230 producers across South Australia, Western Australia, New South Wales and Queensland, maximum participation was 280 producers</li> <li>▶ Many more producers have been involved via newsletter distribution, participation in regional forum and field days. This would involve another 100 producers.</li> <li>▶ Database of members kept current by Project Manager</li> </ul> </li> <li>▶ Bestprac newsletter produced quarterly to ensure communication between members and stakeholders</li> </ul>
Group Objective – Increase the rate of adoption of new management practices by Rangeland sheep producers.	<ul style="list-style-type: none"> <li>▶ Innovation network and research, development and innovation services actively involved with Bestprac groups through trials and field days</li> </ul>	<ul style="list-style-type: none"> <li>▶ Bestprac groups involved in trials such as Wean More Lambs and PIRDS</li> <li>▶ Bestprac groups undertook field trips to Government Research Centres such as Turretfield in SA to view current research trials conducted by SARDI</li> <li>▶ Bestprac groups undertook field tours to Sheep Industry Institute, Roseworthy</li> <li>▶ Networking with researchers: <ul style="list-style-type: none"> <li>○ Wool cheque</li> <li>○ Newsletter</li> <li>○ Grazing Management (Ron Hacker)</li> <li>○ Climate Variability Sub-program (Land, Water and Wool)</li> <li>○ LWW – Managing Pastoral Sub-program</li> <li>○ CSIRO</li> <li>○ R&amp;D Corporations – MLA, LWA and RIRDC</li> <li>○ Central Testing Sire Evaluation (CTSE)</li> <li>○ Gross margin project</li> <li>○ San Jolly, Productive Nutrition</li> <li>○ Adelaide University – Roseworthy</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ Turretfield Research Centre</li> <li>○ Sheep CRC</li> <li>○ Kondinin Group</li> <li>○ PIRD Program</li> <li>○ Promotion of Edge Network (MLA)</li> </ul>
Objective	Success Factors	Evidence
<p>Group Objective – All participants to benchmark KPI's in relation to both wool and sheep meat industries</p>	<ul style="list-style-type: none"> <li>▶ All benchmarking to include wool and meat KPI's</li> </ul>	<ul style="list-style-type: none"> <li>▶ All groups have a strong meat and wool focus</li> <li>▶ Workshops conducted on both areas with topics including analysing meat sheep versus wool gross margins</li> <li>▶ Use of AWI and MLA tools to ensure thorough analysis</li> <li>▶ KPI's developed for meat and wool industries within each group</li> <li>▶ Benchmarks analysed include:               <ul style="list-style-type: none"> <li>○ Farm Income</li> <li>○ Operating Costs as a percentage of income</li> <li>○ Operating costs per square kilometre</li> <li>○ DSE per square kilometre</li> <li>○ Average mutton price per head</li> <li>○ Average price per kilogram</li> <li>○ Wool cut (kg/DSE)</li> <li>○ DSE per labour unit</li> <li>○ Return on Farm Capital</li> <li>○ Debt to income ratio</li> <li>○ Farm equity</li> <li>○ EBITDA (Operating Surplus)</li> <li>○ Farm Profit</li> <li>○ Financing costs as a percentage of income</li> <li>○ Wool micron</li> </ul> </li> </ul>
<p>Promote, market and on-sell MLA products and services to Bestprac Groups (including Edge network and PIRDs)</p>	<ul style="list-style-type: none"> <li>▶ Bestprac groups utilising and undertaking MLA products and services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Groups involved in PIRDs</li> <li>▶ Bestprac participants involved in Edge Network program</li> <li>▶ Strong working relationship with Gerald Martin and Janet Hall</li> <li>▶ PIRDs regularly promoted in National Newsletter</li> <li>▶ MLA products promoted in National Newsletter</li> <li>▶ MLA products and services promoted at project events</li> </ul>

## **6 Impact on Meat and Livestock Industry**

### **6.1 Impact on Meat and Livestock Industry – now & in five years time**

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Bestprac has had a substantial impact on the meat and livestock industry within the pastoral zones of Australia. The meat and livestock industry has not only been improved by the higher quality wool and meat produced, but the industry as a whole has benefited by the improved knowledge and skills of producers.

Producers within the pastoral zone are managing their properties and the livestock carried on it in an environmentally sustainable manner. These practices have changed the carrying capacities of these properties, increased the quality and amount of wool and meat produced by these businesses and improved the future outlook for these properties. Bestprac businesses are aware of the impact that their livestock have on the country and are making changes to their management system to ensure that they are not degrading the fragile systems.

Profitability of the meat and livestock industry has also been impacted as producers have begun using alternative marketing systems and strategies to improve the net dollar return on their outputs. There are Bestprac groups who have begun group marketing and selling enterprises to ensure that they are maximising their potential profit.

Due to an increase in the well being of producers involved in Bestprac there are positive impacts on the meat and livestock industry as well. Producers who may have left the industry because it “all got too hard” have become reenergised and improved their skills to continue with the industry. Producers have been exposed to other positive producers, cutting-edge research and development and the profitable and exciting possibilities for this industry; as a result they have remained in the industry.

The impact that Bestprac will have on the meat and livestock industry in five years time is hard to quantify but it can be expected that if this project continues then the benefits described above will only continue and be enhanced. If the project does not continue beyond June 2007, producers who have participated in the project will continue to operate their businesses based on the skills and knowledge Bestprac has provided them. There is market demand for this project as evaluation respondents have indicated that they would like to see the project continue.

## 7 Conclusions and Recommendations

### 7.1 Conclusions and Recommendations

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Bestprac has been a successful, beneficial and rewarding project for everyone involved with it over the past 10 years. The largest beneficiaries have been the 230 Rangeland producers who have been the key factors in the success of this project at a national level throughout the rangelands. For anyone involved in this project, there is only one conclusion that can be made; this project has met its objectives.

The PAP and the current National Coordinator of Bestprac have been planning and developing the next version of the Bestprac project. It is hoped that further funding will be provided by the funding partners so that the success and impact of the Bestprac project can continue into the future.

The new Bestprac project will have the following outcomes:

- ▶ Bestprac is the audited and industry recognised brand within the arid zone rangelands of Australia
- ▶ Bestprac will build the skills and confidence of pastoralists by leading the identification and adoption of innovation and entrepreneurship for the benefit of the arid zone industry
- ▶ The Bestprac network is the preferred network for the commercial development of research and innovation
- ▶ Use foundation investment to leverage further investment for the development and benefit of the Bestprac network

The new Bestprac project will provide benefits for producers and industry, these include:

- ▶ Producers
  - Develop and maintain a unique network of national Rangeland wool producers
  - An increased focus on the business and the cost of production means that producers are positioned to make key business decisions when required, and when seasonal conditions are favourable they are ready for action
  - An in-depth understanding of how their business operates and the areas where improvements can be made
  - As indicated by the Bestprac Impact Evaluation, it is very difficult to measure all of the benefits and impacts of the Bestprac program on participants. The Impact Evaluation discovered that there were 'unintended benefits' from Bestprac participation, these mostly included social benefits. The next form of the Bestprac project will provide participants with the following unintended benefits; social interaction, group support, networking in local district, networking within the industry and exploring new ideas and ways of doing things.
- ▶ Industry
  - Participants in this program will become industry recognised wool producers who operate under a recognised brand
  - Bestprac network is already well-formed throughout the Australian Rangelands therefore funds invested in this project can leverage off of the existing network
  - Wool production and sheep management will be developed and maintained at an industry level



The MLA Edge Network was not targeted at Pastoral businesses and therefore the participation of this industry sector was poorer than expected. It is recommended to improve this participation by developing content and delivery mechanisms that are specific for pastoral wool and meat producers.

PIRD structure for pastoral groups is an ineffective model because the system is markedly different to that of 'inner' country properties. Rural Directions Pty Ltd is currently conducting a project aimed at defining and developing a best practice model for the identification, development and delivery of participative action research in the arid zone rangelands environment. This project – Models for Development and Delivery of Participative Action Research for Rangeland Producers – has leveraged off the existing Bestprac network and has the potential to form a key part of the delivery of the next Bestprac project. It is recommended that this project form part of the delivery model for any future Rangeland wool and meat industry projects.

## **8 Bibliography**

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Rickards L., Bestprac Evaluation, RM Consulting Group, 2007

Ferris M., Financial Evaluation of Selected Case Study Properties, EconSearch Pty Ltd, 2007

## **9 Appendices**

### **9.1 Bestprac Newsletter**

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# Bestprac *newsletter*

Focusing, Thinking and Action to Improve the Performance of Rangeland Wool Producers

## May 2007

SA Bestprac Forum  
Participative Action  
Research Project  
AWI Events  
Trials and Projects in  
the Rangelands  
Muttaborra Bestprac  
- Leading the Way  
Bestprac Innovation

Welcome to this edition of the Bestprac Newsletter. We are currently working on developing a business case for a new Bestprac Project. As such we are developing a business plan that will outline how we will achieve the outcomes defined by the National Bestprac Producer Advisory Panel. As a refresher, the outcomes defined by the Producer Advisory Panel included:

- ▶ Bestprac is an auditable and industry recognised brand within the Australian rangelands
- ▶ Bestprac will build skills and confidence of pastoralists by leading the identification and adoption of innovation and entrepreneurship for the benefit of the pastoral industry
- ▶ The Bestprac network is the preferred network for the commercial development of research and development
- ▶ Leverage additional resources into the project to develop and benefit the Bestprac network

In addition to the recent Bestprac Project Impact Evaluation report, we also recently commissioned Econsearch Pty Ltd to undertake an evaluation of the direct economic impact of the Bestprac Project on a pastoral wool business. It is inherently difficult to quantitatively measure the metrics of a project that potentially has external influences from other information providers and the drought; however we felt it was important to try to quantify the economic impact by looking specifically

at the benefit cost ratio and breakeven points. I was really interested to find out how businesses performed in a period of drought.

The methodology involved using existing properties to develop a base case scenario, from which to benchmark a “with Bestprac” outcome. Costs and benefits over the period 2000 – 2001 to 2005 – 2006 were specified in real terms and “what if” scenarios were run to take into account the impact of the drought.

This study concluded there was a cost of participation and implementation of \$43,000 and a benefit of \$86,000. This represents a benefit cost ratio of 2:1 and a breakeven point of one year. This is a very good return on participation in Bestprac and provides powerful evidence that participation in projects like Bestprac has a substantial impact on the bottom line and this is through a seasonal period that has been far from perfect.

If you have any questions or comments about the new project, please give me a call on 08 8842 1103 or email on [dheinjus@ruraldirections.com](mailto:dheinjus@ruraldirections.com).

I hope you enjoy this edition of the Bestprac Newsletter.

David Heinjus  
National Bestprac Coordinator  
Rural Directions Pty Ltd

## SA Bestprac Forum - Innovation in the Rangelands

In March Rural Directions Pty Ltd coordinated the South Australian Bestprac Forum at Hawker in the Flinders Ranges. This forum had an Innovation in the Rangelands theme and was a successful event with 40 producers and 25 industry representatives attending.

The forum was an opportunity for rangeland producers from across Australia to witness first hand the latest in innovative production and livestock handling technology. Bestprac groups nation wide updated delegates on their recent group activities and projects. The strong message of these presentations was how these groups and individuals would not have been able to make significant changes to livestock and property management without the support of the Bestprac network.

A highlight of these presentations was Claudia Power, a Bestprac participant and facilitator from Queensland, sharing with the group the achievements and activities of five Queensland groups. These groups were from Blackall, Benlidi, Muttaborra, Longreach and Tambo. The group was interested to learn about the different production and environment systems these producers operate in, including rainfall variations, watering systems and feed types.



Michelle Cousins, June Parnell

Individual Animal Management (IAM) was introduced to the participants by Queensland producer Stuart Mitchell. "OFDA 2000 and Electronic Identification are the best changes to ever happen to the

Australian Wool Industry" said Stuart in his presentation, which focused on tracking individual traits of animals, and managing a flock of animals as individuals

as opposed to the traditional method of a flock. Stuart uses OFDA2000 technology in his shearing shed to individually test all fleeces before shearing, and then classes sheep according to the OFDA results. Wool is then sorted and bar-coded according to the OFDA results, which greatly minimises the classers time. Fleeces which are not matching flock aims are identified for sale.

IAM is a key aspect to the work of Tony Thompson, a sheep trader and cotton producer from Bourke, NSW. Tony's presentation focused on the need for the Australian Sheep Industry to focus on measuring and monitoring individual animals and their production. "I'm not in wool production or meat production; I'm just a trader of animals. I buy and sell according to market opportunities," was how Tony described his current production system.

Tony employs walk over weighing technology, whereby the weight of each animal is recorded on their way to water, and drafted according to their weight. Additional feed is then made available to those animals not meeting target thresholds. This technology enables Tony to run different classes of animals in the same flock, as animals are treated as individuals, as opposed to a flock of the same class.



Andrew Bailey, Brendon Reynolds, Gary Hannigan, Stuart Mitchell

This technology allows Tony to draft animals according to weights recorded remotely, and trade those animals who meet key target thresholds.

Nuffield Scholar, Garry Hannigan, presented to delegates his businesses move from wool production to meat sheep and subsequently to organic meat production. Gary has secured both domestic and export markets, and through the Bestprac Network, is able to supply a Japanese Supermarket chain with Australian Organic Rangeland produced lamb fortnightly.

The Forum was concluded with a Blowfly Control Project update provided by Jules Dorrian from AWI and Graham Peart from RMS Accountants provided an introduction into his project on the Analysis for Gross Margins for Sheep Breeds in the Pastoral zone.

Ian Warnes from Woolgangi Station described the Forum as “excellent; listening to the interstate people, hearing what’s happening in Queensland and New South Wales and the innovations they are coming up with. The networking at this event has been really good; this is what Bestprac is all about – new ideas and innovations”. David Lindner from Wonga Pastoral was motivated by the other Bestprac members at the Forum; it is “nice to see the wool industry talking to each other in such a positive way”.

Thanks to Chelsea Muster and Carlyn Mellors for all their help coordinating and organising this successful event.



John Squires,  
Ben & Susan Carn

### Participative Action Research Project

We outlined the Participative Action Research Project that Rural Directions Pty Ltd is currently undertaking in the last Bestprac newsletter.

Just to refresh your memories, the Participative Action Research Project (PAR) involves developing a model which encourages and engages rangelands producers in research designed to better management and livestock systems. PAR is currently limited in the rangelands because of demographic and geographical factors.

As part of the project, we are surveying extension officers and consultants in the rangelands as to what they believe are the restrictions to successfully undertaking PAR in the rangelands, and identifying the key benefits of producers being actively involved in PAR.

We have also sent out surveys to Bestprac members from each state, and your facilitator may contact you soon, if they have not already, to ask if you would like to participate in the survey. Many thanks to those who are participating, and if you have been sent a survey, we would appreciate it if you could please return the completed survey back to Chelsea at Rural Directions Pty Ltd immediately.

We have collated a lot of interesting information on PAR to date, and some of the keys to it’s success includes:

- The research idea being initiated by producers
- Producers actively being involved in designing and undertaking the research
- The research shows quantitative benefits to producers

If you would like any further information on the project, please contact Chelsea at Rural Directions Pty Ltd.



**“Keep it Real Conference”**

AWI is sponsoring a ‘Keep it Real’ conference, which will explore options for integrating environmental stewardship and quality assurance into Australian Agriculture.

This sponsorship gives an opportunity for 10 wool producers to attend for free (full registration \$850, with travel/accomm covered up to \$700). The Conference is 6-10 August 2007, in Hobart Tasmania.

Applications close Friday 25 May and you can get more info at [www.tgainc.com.au](http://www.tgainc.com.au)

**Sheep Genetics Australia Workshops**

Sheep Genetics Australia (SGA) is planning a series of workshops for existing clients and ram breeders wanting to improve their understanding of MERINOSELECT, its value and practical application in ram breeding programs.

MERINOSELECT is a product within SGA that provides practical information for Merino breeders and woolgrowers on the genetic potential of their sheep. Two types of workshops are being held:

1. **Making the Most of SGA** - a workshop for current MERINOSELECT clients to enhance their current knowledge and application of genetic evaluation;
2. **An Introduction to MERINOSELECT** - a workshop for ram breeders who wish to gain a basic understanding of genetic evaluation, the application of breeding values and what is required to participate in SGA.

For further information please direct enquiries to Alanna Roberts at SGA (02) 6773 3191.

**Mulesing Alternatives Road Test**

AWI is seeking woolgrower participants to be a part of the road test for the mulesing alternatives. For more information, contact the AWI helpline 1800 070 099

**Nuffield Farming Scholarships - Now open!**

The Australian Nuffield Farming Scholars Association awards scholarships each year to farmers in Australia.

The objective is to increase practical farming knowledge and management skills and techniques generally. An Australian Nuffield Farming scholarship is a life changing experience.

Nuffield scholars receive a ‘golden key’ to the best production, management and marketing systems in every corner of the world. In addition to embracing the ‘world’s best’ in agriculture, scholars gain a deep understanding, and global perspective, of the politics, cultures and challenges of world agriculture. AWI is again funding a scholarship for a wool grower.

Applications close 30 June 2007.

More information can be found at [www.nuffield.com.au](http://www.nuffield.com.au) or by phoning (02) 6964 6600

**The Australian Rural Leadership Program**

A unique opportunity for selected rural and regional leaders to undertake a program of personal growth and skills development.

The program also builds the individuals knowledge and networks, increasing their effectiveness to contribute to industry and community development at the regional, state, national and international levels.

AWI is again funding a wool industry scholarship. Applications open 1 May and close 31 July 2007.

For more information visit [www.rural-leaders.com.au](http://www.rural-leaders.com.au) or call 02 9281 0680.

## **Trials and Projects in the Rangelands**

There are currently a number of trials and projects underway in the rangelands of South Australia which actively involve Bestprac members, including:

- Water testing of watering points
- B12 (Cobalt) testing to determine if there are deficiencies
- Wean More Lambs trial
- Tactical Decision Making to Enhance Pastoral Grazing Management

Our sincere thanks to those properties and businesses that are involved in project/trial work, your efforts are amazing!

### **Water Testing**

The water testing opportunity is funded through the National Heritage Trust, and gives producers the opportunity to have 5 watering points on their property tested. These results will then be discussed in workshops, and key points including:

- Livestock water quality needs
- Livestock water quantity needs
- Changes in grazing management according to water quality
- Water storage options
- Placement of watering points for optimal grazing management

will be discussed. Workshops will be held at Burra on June 5, Hawker June 6, and Yunta June 20. The testing and workshop are free (with a free BBQ lunch too!).

### **B12 (Cobalt) deficiency testing**

Six properties in the southern pastoral zone of South Australia have participated in taking blood samples from ewes to determine if cobalt deficiencies are present. To date, three of the properties involved have shown there are no deficiencies, with higher than adequate levels present.

We are still waiting on results from the other three properties. These results come as no real surprise, but are a firm confirmation that it is unlikely that cobalt deficiencies occur.

### **Wean More Lambs Trial**

A Wean More Lambs trial is currently underway in the North East of South Australia. This has been a really exciting trial, and the results from preg-scanning the ewes were testament of the large amount of data available through preg-scanning, and the ability to manage the flock much easier once the pregnancy status of ewes are known.

Environmental benefits from the trial are also visible, and although no firm conclusions can yet be drawn as the trial is still in progress, it seems vegetation is also benefiting as regrowth is evident in those paddocks where the trial is in progress.

### **Tactical Decision Making to Enhance Pastoral Grazing Management**

The NLP funded project 'Tactical Decision Making to Enhance Pastoral Grazing Management' is well underway, and at the current stage of developing tools to aid in the grazing management in the rangelands.

Needs of producers have been identified through focus groups, and these needs are being incorporated into the tools, as well as how the end users want these tools presented.

For any information on any of these projects, call Chelsea at Rural Directions Pty Ltd.



**Muttaborra Bestprac - Leading the Way**

"It's just as important to plan for when we are not here as it is to plan for when we are here" was a comment echoed by participants at the end of the Longreach Succession Workshop. Many families have seen the results of poor planning or no planning and the effect it has had on family members, when family members have passed away. 80% of participants agreed the main reason for attending was to begin a succession plan. Obviously many people had not developed a plan prior to the day.

Two of the key take home messages from the day were:

*What happens if you do not get home tonight? - Lyn Sykes*

*Your assets are significant now and you need to change the way you think - Peter Whip.*

"The Future of the Family Business" workshop held in December 2006 attracted more than 100 graziers from Central Western Queensland. This workshop, organised by the Muttaborra-Saw-Us Bestprac Group, was the first for the region in more than 10 years and an event, which everyone agreed, every family should attend. It was funded by Bestprac, Grazing BestPrac/ MKL Rural, Leading Sheep and Suncorp.

Chief Organiser, Joy Hardie, "Verastan" Muttaborra, commented, "the speakers were all outstanding and the process provided us with a lot of important information and advice on how to get our succession plan started and to look at what questions to ask of specialists and family members". We were very lucky to gain the assistance of such an excellent group including:

- ▶ Lyn Sykes, Communications Specialist from Dubbo
- ▶ Anna Radel, Solicitor from Wright Clarke, Biloela
- ▶ Bill Ringrose, Accountant from O'Regan & Partners, Longreach
- ▶ Trevor Bridger Financial planner from BDO Kendalls, Brisbane
- ▶ Peter Whip from PRW Agribusiness, Longreach

Rarely do we have speakers of this calibre all in the one place; ready to provide advice and work together, to assist grazing families develop strategies for succession. "The workshop developed as a key outcome from discussions between members of the Muttaborra Bestprac Group and developed into an exciting program with support from group facilitator Mick Alexander", Joy said. Initially, we decided "succession" was a priority for members to assess future family and business direction. This led to the question, "How do we begin and who do we talk to?" In seeking information on how to plan for succession and which strategy would best suit, we just happen to have found one of the hottest topics in years.

Participants travelled from Blackall, Boulia, Julia Creek, Longreach, Hughenden, Barcaldine and Jericho districts to attend. The numbers attending demonstrated that many other people in the district recognise the importance of planning for the future. Holding the day at the start of the school holidays was an added bonus, as several graziers brought their families so the succession process could begin on the day. Other participants asked if we could hold another one next year so their families could attend.

Mick Alexander

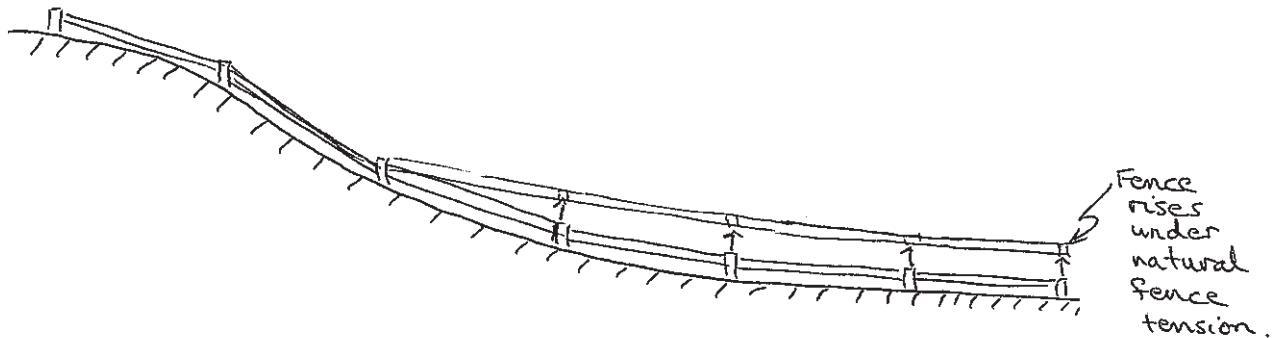


**Bestprac Innovation**

A few weeks ago the NEED Bestprac Workshop was held at Wonga Station between Burra and Morgan in South Australia and hosted by the Lindner family. Part of this workshop was dedicated to a group inspection of property management innovations.

Innovations developed by the Lindner family have included a fencing trailer and molds and templates for concreting infrastructure like grids and fence struts. This professionally run business has also implemented a fencing innovation that utilises the natural strain of a fence to create a large gate way and therefore make the shifting of sheep from one paddock to another quick and easy.

The fence design is based on polly sleeves sliding over the top of a normal star dropper. The fence is attached to the plastic sleeve and held in place by a cotter pin and plate that sits on top of the dropper. When the cotter pin is removed the fence and plastic sleeve slides up the dropper creating a space underneath for the sheep to easily move under. Naturally, there needs to be a slight rise at one end of the run to create a natural height and strain. Once the sheep have moved paddocks the sleeve is placed back over the dropper and held in place with the cotter pin.



## **9.2 Impact Evaluation (Roberts Evaluation)**

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# Bestprac

# Impact Evaluation

**DRAFT**

2005  
Prepared for David Heinjus (Rural Directions Pty Ltd)  
and  
Australian Wool Innovation Limited

By

**Jessica Kenway and Kate Roberts**

Roberts Evaluation Pty Ltd



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## Executive Summary

The primary goal of Bestprac is to improve its members' profit, wellbeing and the condition of their environment by 5%.

There is **strong** evidence to suggest that Bestprac is achieving its goal of increasing members' **profit** by 5%. The two case study properties, and 36% of the individual producers interviewed referred to a direct increase in profit attributable to Bestprac.

There is **very strong** evidence that Bestprac is achieving its goal of increasing members' **wellbeing** by 5%. Bestprac has clearly increased its members' confidence and motivation and has provided a vital support network to help producers survive, and in some cases even flourish in the drought. As one producer commented, "I have attended Bestprac meetings in a state of depression and left with renewed confidence and motivation".

There is, however, **minimal** evidence to suggest that Bestprac is achieving its goal of improving the condition of the **environment** by 5%. Bestprac has had only a minor impact on producers' thinking about the environment, and its members were not found to monitor environmental condition, such as pasture cover, in a systematic manner. To *achieve* Bestprac's environmental goal, the groups may need to review their current and proposed management activities in relation to their environmental impact. To *demonstrate* that the environmental goal has been achieved, group members will need to monitor aspects of environmental condition on their properties.

The evident strength of Bestprac is its support of peer group learning between producers, and its adult learning approach to building producers' skills in analysis, decision making, and monitoring the impact of their changes through benchmarking.

## Evaluation Methods

The evaluation used a range of methods to gather producers' experience with, and attitude towards Bestprac. This included structured interviews with 61 producers, and case studies of two businesses and one Bestprac group. Additionally structured interviews were completed with 11 producers not involved in Bestprac.

## Key Evaluation Findings



73% of producers interviewed were between the ages of 40 – 59. 39% had been in Bestprac for two years or less, and 17% had been involved for seven years or more.



68% have found Bestprac very useful, particularly in regards to learning from others and learning skills in financial management.



With the current membership costs, 66% were very satisfied that Bestprac represented value for money. There was strong opposition to the idea of increasing the costs of Bestprac, with 86% responding that they would not pay the unsubsidized \$3000 to be involved.



40% indicated the most useful knowledge gained through Bestprac was financial management.



Bestprac has made a major influence on what producers think they can achieve and how they think about profitability and their wellbeing. But it has had less of an influence on their thinking about their future in the sheep and wool industry and their thinking about the environment.



34% had changed management practices on their property as a result of Bestprac. 13% had diversified their business, 12% had improved their documentation, 12% had improved their marketing and selling practices and 8% had improved their overall business management practices. 14% had made no change.



36% indicated that the changes they had made because of Bestprac had increased their profit. 25% believed they had increased their production, but could not yet see an increase in profit.



54% indicated they had been surprised at the support and relationships developed through Bestprac. 32% were surprised at the number of new ideas they had learnt.



Participants were interested in a wide range of future activities with Bestprac. Many indicated that their interests were already being addressed through the agendas of their groups. The most common request was for more activities on farm management practices. This was followed by more work on marketing and financial activities.



Participants were supportive of having members in their group who are different to themselves. When asked to rank who they would like to be a member of their Bestprac group, they gave top priority to people with different management practices, and those who think differently to themselves. The producers emphasised the value of group members sharing similar geographic climate and conditions, but having a balance of producers who knew each other before getting involved, and those who did not.



77% felt that the best way to attract new members was through word of mouth. One member suggested that the Bestprac coordinators provide material (for example, a brochure) to the members to help them explain Bestprac to non participants.



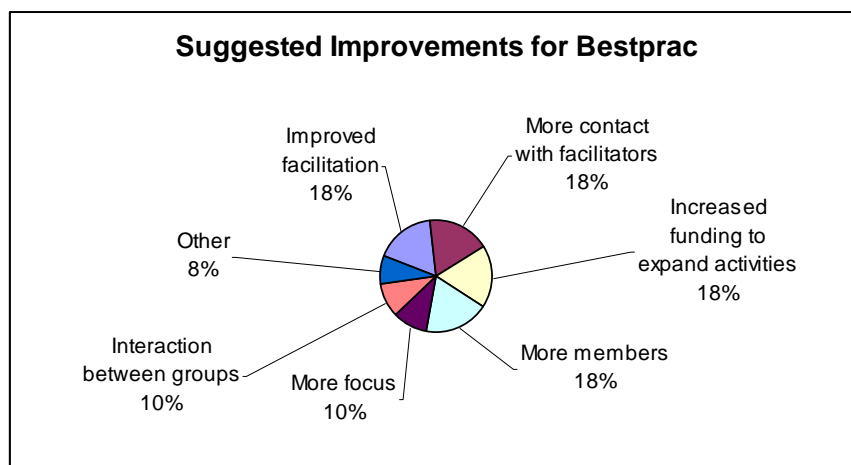
Producers not involved in Bestprac have a relatively accurate perception of Bestprac. They described it as “a group of local producers” who “benchmark” and “conduct a business planning program” with the “support of a facilitator”. The reasons why they are not involved in Bestprac were quite varied, and provide an

insight into the range of reasons the broader community of producers are not involved in Bestprac. One non participant suggested he would become involved if it was more open and accessible.

## Recommendations

Sixty percent of producers made no recommendation for improvement to Bestprac. They were happy with the way the program is being delivered and felt that it was meeting their needs. Of the 40% who suggested improvements, the main themes included improved facilitation, more contact with facilitators, increased funding to expand activities and more members within the groups. These themes are represented in the diagram below. An additional area for improvement implied by two of the participants was to better link Bestprac in with other funding programs, and particularly to promote the program through the various catchment management associations.

Specific examples of how these aspects of Bestprac could be improved are included in the report under the section *Suggested Improvements*.



**Recommendation:** That Bestprac review its goal of improving the condition of the environment by 5%, and clarify the intent of this objective. To achieve this goal may require an increased focus on environmental impact in the groups' agendas. Bestprac members will also need to adopt a systematic method of monitoring to attribute a change in environmental condition to Bestprac in the future.

**Recommendation:** That the coordinators of the Bestprac Program help group members build partnerships with research institutions who are interested in working with them on collaborative, on farm research.



**Recommendation:** To consider all of the producers' suggested areas for improvement and make changes where deemed relevant. The suggestion of improved facilitation in some locations particularly warrants further investigation.

**Recommendation:** That the list of future activities suggested by participants in this evaluation, be used as a reference point for facilitators and groups when planning meeting agendas.

**Recommendation:** That new groups be supported to have a mixture of members from a similar geographic area with a diversity of management practices. Having a reasonable number of members who do not know each other is also critical to create an open and challenging environment for participants.

**Recommendation:** That recruitment of new members should largely be done by word of mouth by existing members and group facilitators.

**Recommendation:** Encourage a group size of around ten businesses.

## Introduction

Bestprac is a producer group based program that enables rangeland wool and meat producers to identify on-farm projects that potentially are going to improve profit, the environment and producers' wellbeing by 5%.

There are over three hundred producers involved in Bestprac, with seven groups in South Australia, eight in Queensland, eight in New South Wales, and two in Western Australia.

Group members work with a facilitator (departmental extension officer or agricultural consultant) to benchmark their business to identify business strengths, weaknesses, opportunities and threats. This performance assessment process enables a producer to identify farm projects and plans that have the potential to improve business performance.

A tailored skills training program is then designed by the group to ensure each group member has the appropriate skills and confidence to implement their project or plan. This skills training program could include field trips, on farm visits ("sticky beak" sessions), trials, workshops or seminars with specialists.

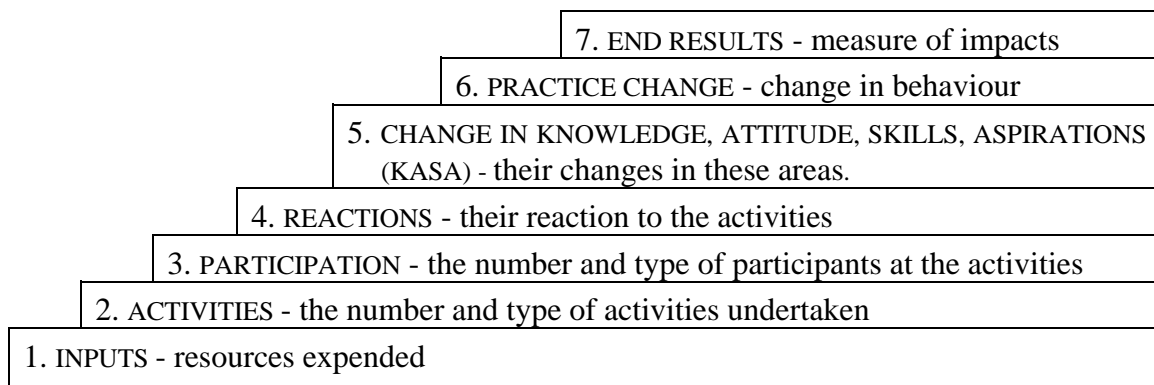
Previous evaluations were done of the Bestprac program in 1998, 1999, 2000 and 2001.

## Objectives of this evaluation

This evaluation was required to measure the progress of the Bestprac program around Australia.

Bennett's Hierarchy is a framework against which program outputs and outcomes can be measured incrementally. It has seven steps shown in Figure 1 below.

*Figure 1. Bennett's Hierarchy*



*(Source: Patton, 1986)*

This evaluation primarily focused on levels 4, 5 and 6 of Bennett's Hierarchy (reactions, change in knowledge, attitude, skills and aspirations, and practice change), however information has also been included about the types of activities Bestprac groups have undertaken (level 2 - activities), the age, gender and enterprise mix of participants interviewed (level 3 - participation) and the

impacts that participants observed from the changes they made to their operations (level 7 – end result).

The results of this evaluation will be used by members of the Bestprac program to improve the effectiveness and efficiency of the program, and by the Australian Wool Innovation Limited to ensure progress against the program's objectives.

## **Methods**

Data were collected through structured interviews with producers randomly selected from the Bestprac database. Interviews were carried out by telephone. Several producers chose to write their responses to the interview questions rather than complete a phone interview.

Sixty-one producers involved in Bestprac were interviewed. Twenty of these were from South Australia, twenty from Queensland, eighteen from New South Wales and three were from Western Australia.

Data were also collected from landholders not involved in the Bestprac program. Fourteen non-participants were interviewed. Eight of these were selected by the National Bestprac Coordinator, and an additional six were contacted as part of the phone interviews for participants (while these six were on the Bestprac database they were not actually members of Bestprac).

Case studies were conducted with two businesses involved in Bestprac by visiting these producers. The first case study property was from the Eastern District Group and the second from the Carrieton Group. Both groups are in South Australia.

A further case study was conducted with the Wilcannia Bestprac group in New South Wales through a facilitated teleconference.

## Results

### **Case Study - Bestprac Group**

The Wilcannia Bestprac Group was chosen as a case study by the National Bestprac coordinator. A teleconference was held with four members of the group to discover their thoughts about how it has influenced their decision making, how an ideal group should operate, what level of interaction between Bestprac groups is useful, and what further support should be provided through the Bestprac program.

The Wilcannia Bestprac group formed in 1999. It currently involves six businesses and is facilitated by a staff member from the NSW Department of Primary Industries.

#### **How has the group influenced decision making on the member's properties?**

The members of the Wilcannia Bestprac group have made a range of significant changes to their businesses as a result of being involved in Bestprac. Some of these changes have included changing their sheep breed, introducing meat sheep, becoming organic growers and taking a more direct strategy with their marketing.

The group felt that Bestprac played a significant role in helping them make these changes. In particular, several group members commented that going through the wool profit map and comparing financial figures between businesses *convinced* them to make changes they had been considering for some time. Another member added that the support of the other group members who were prepared to “look outside the square” and “pick up ideas and run with them”, gave him the *confidence* to make changes.

The group members have also benefited from the informal communication between members. For example, after comparing interest rates, some members realised they were being charged up to 4% more for their loans despite having the same level of equity. One grower explained that the changes he made to his loans after learning this information from other Bestprac members has helped his business save \$4000 per year.

Another key component has been having good facilitators. Additionally, the group has had a private consultant assist them conduct the annual wool profit map. This consultant has played a key role in helping them identify changes to make to their businesses.

#### **How should a Bestprac group operate to improve its members' profit, wellbeing and environment?**

When asked how a Bestprac group should operate to improve its members' profit, wellbeing and environment, the growers referred to the level of ownership they have over

the direction of the group, the trust between members, and methods to deal with logistical challenges such as distance.

In regards to ownership of the group over its direction, the growers referred to the importance of the group members setting the agenda, deciding what topics they cover and which guest speakers they have. One grower commented:

“No one tells us what to do. We have always had this ownership over our group’s direction right from the start. This ownership has been a key reason why we have kept going and why our group has been successful”.

They explained that at one stage, the group was even given a range of facilitators to choose from as to which would best suit their group.

The second key factor in a successful group is having trust between members. Sharing financial information is the key aspect of Bestprac, and trust is needed between members for this to take place. When asked about the role of the facilitator in building trust between group members, they commented that having this trust was more dependent on the types of personalities of the group members, than the activities of the facilitator.

As an example of the support between members, one grower commented he can be “...unable to attend Bestprac meetings for months, but when I can get to meetings, I don’t feel ostracised by the group”.

The group typically only meets when they need to. They don not have a set number of meetings each year as this will vary depending on time commitments and other factors. A logistical challenge for the group is that they are up to 500kms apart so they can not always get together for face to face meetings. To help overcome these distances, they have regular teleconferences. One member commented that this form of communication has been crucial for the group. They have also used the medium of teleconferences to receive information from guest speakers.

### **Interaction between groups**

The Wilcannia group has had little ongoing interaction with other Bestprac groups. When they first formed, members from a Bestprac group in Queensland helped them set up their group. The Queensland Bestprac members’ enthusiasm gave some of the Wilcannia members the motivation to become more involved.

Some of the members of the group have attended a state-wide Bestprac meeting, and a National Bestprac meeting. The state-wide meeting was considered a useful activity. This meeting revolved around group members sharing information about what had worked in their groups, what things for other groups to avoid doing, and ideas for the future. However the national meeting was not considered to have been useful. They

explained that it was too big, became too confusing and the topics were not relevant for their area and so attending had been a waste of time.

In addition to occasional state-wide meetings and support for new groups when they were getting established, they thought it would be useful to have interaction in the form of visiting a neighbouring group, and looking at individuals properties.

The Bestprac newsletter was also another potentially useful form of interaction between groups. They explained that this newsletter had initially been regular and quite extensive in content. They felt that there was potential for this newsletter to become a useful way to share information between groups.

One member emphasised the need to keep the interaction between groups flexible, and for the groups to determine the level of interaction that meets their needs. They did not want to see hard and fast rules about how often groups should get together, or how often national or state meetings should be held. However, there was agreement that interaction and support for new groups was very valuable, and that occasional interaction between groups would be useful where it contained relevant information and did not take too much time away from their businesses.

### **What further support/engagement do participants want from Bestprac?**

The group members emphasised the need to maintain the level of facilitation and financial support that currently exists for Bestprac. If the contribution sought from participants becomes any higher, there will be fewer members, fewer groups, and the success of the program will diminish.

They explained that the benefits of Bestprac are not confined to its members and that there is a flow on benefit through the wider community. Individuals involved in Bestprac are typically trialling different practices and methods. Often these practices are gradually adopted by other members of the community once they have been trialled and tested by Bestprac members. The members of the Wilcannia group have observed this ripple affect of adoption in their communities.

There are other benefits from Bestprac in that researchers typically approach the Bestprac groups to carry out experiments on members' properties. Through the work of the researchers, this information also becomes available to the broader community. The members commented that there was scope for the businesses involved in Bestprac to be better used as a resource for research and development.

One member explained that the group had applied for funding from the Australian Wool Innovation Limited (AWI) and Meat and Livestock Australia (MLA) to do a research trial on grazing systems. This trial had not been funded. Again it was emphasised that the Bestprac groups could be better supported for research to occur on their properties.

## **Other comments about Bestprac?**

The Wilcannia Bestprac group members commented:

- Bestprac is something I could not do without
- It is both enjoyable and beneficial
- If growers are not involved, they should be
- Bestprac has been extremely beneficial. It has helped me change from being an average grower to quite successful.

The members also commented that the social side of Bestprac has been a vital aspect of the program and has helped its members deal with the drought. They emphasised that this social aspect of Bestprac needs to be maintained. They also felt that the success of Bestprac has not had as much publicity as it deserves.

## ***Case Studies - Evaluators Comments***

It appears from the case studies, that there are two distinct roles that a Bestprac group plays in supporting producers to make changes on their properties that helps them become more profitable. The first role centres on providing information, for example through a workshop or field days. These activities play an important role in building the producers' knowledge, skills and awareness about the topic under discussion.

The second role of Bestprac is the ongoing peer support provided by the facilitated group. Issues are reviewed, analysed and discussed through ongoing group meetings. These group sessions increase the producers' level of confidence in making changes to their enterprise. They also provide locally relevant information as group members research or trial various changes, provide further contacts and networks throughout the industry, and provide a sounding board to review the impact of the changes made.

The case studies also revealed the time producers needed to make changes to their management practices. The majority of the changes referred to took place several years after the initial catalyst. A workshop was frequently referred to as the information catalyst, but changes were only implemented after a year or two of further research and careful consideration with support from the group. In some cases the impact of these changes on profit and environment were not visible for several more years. For example, the Warnes attended a workshop on supplementary feeding in 2002, installed a feedlot in 2004, and then started to observe an increase in profit in 2005, three years after the initial catalyst.

A key message from the group case study was the potential for Bestprac to add value to its program by becoming more involved in on farm research on members' properties. As the members of the Wilcannia group suggested, this could be done through supporting them carrying out trials, or through working in partnership with research institutions such

as universities. The results of these trials could be used to promote the success of the Bestprac program.

**Recommendation:** That the coordinators of the Bestprac Program help group members build partnerships with research institutions who are interested in working with them on collaborative, on farm research.



## ***Structured Interviews – Bestprac Participants***

### **Bennett’s Level 3 - Participation**

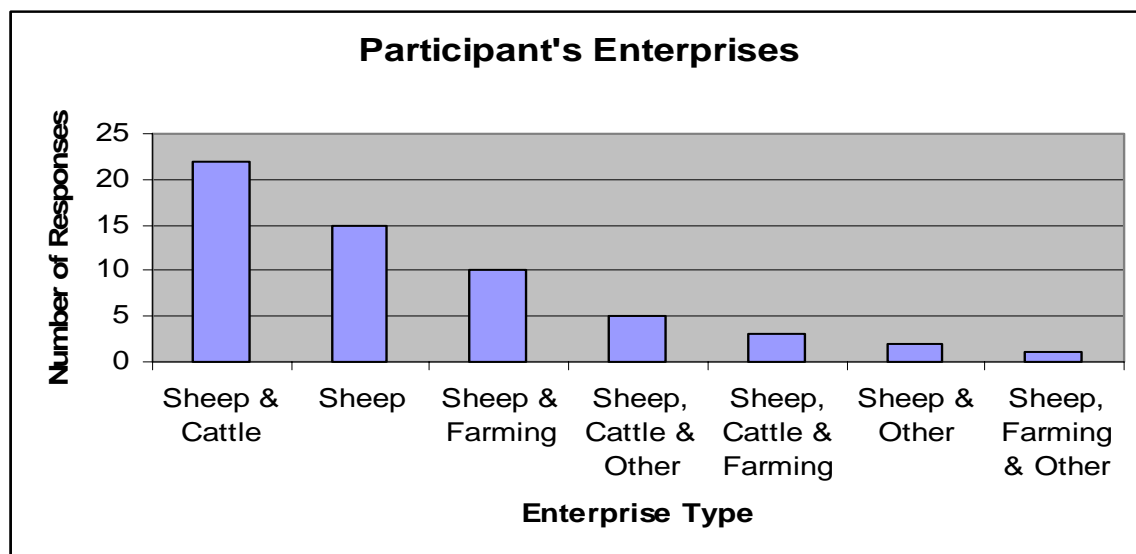
#### **Gender of interviewees**

Of the 61 producers interviewed, 41 (66%) were male, and 21 (34%) were female.

#### **Enterprise Mix**

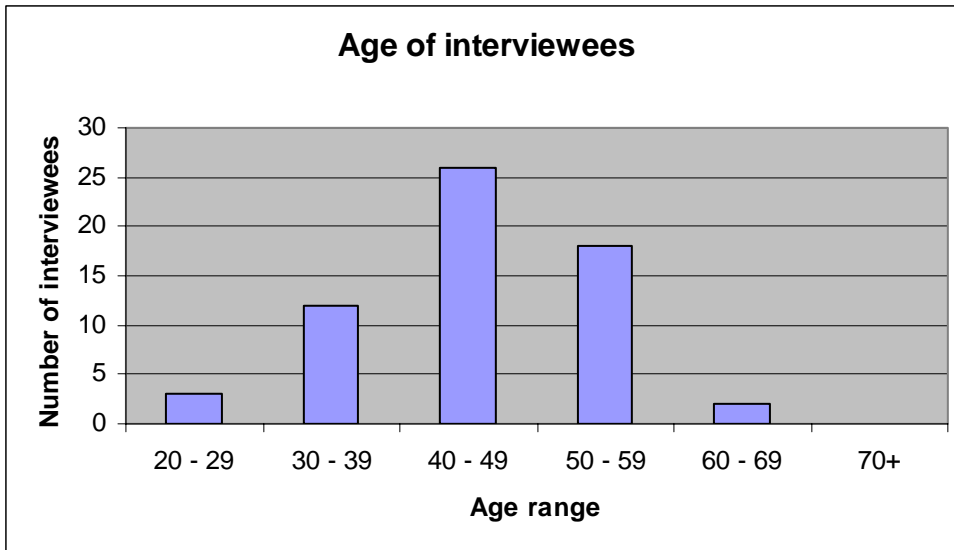
The participants interviewed had a range of on-farm enterprises. These are shown in the graph below. The most common enterprises were sheep and cattle (38%), followed by sheep only (26%) and then sheep and farming (17%).

The “other” enterprises included goats (3 responses), tourism (2 responses), bees (1 response), a livestock company (1 response) and an earthmoving company (1 response).



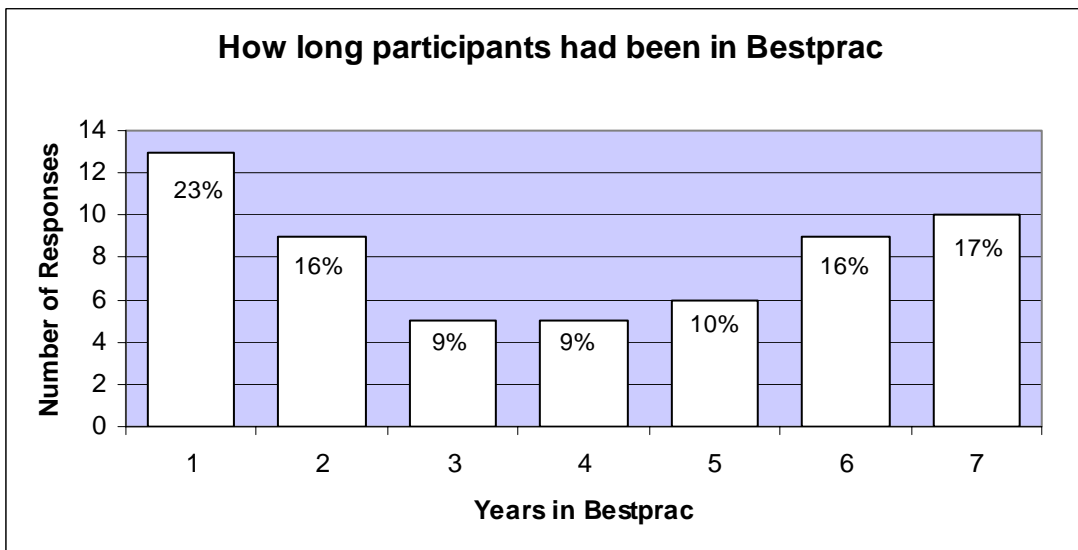
#### **Age Range**

The participants interviewed ranged in age from 20 to 69. Most Bestprac participants interviewed were between the ages of 40 to 49 (43%) and 50 to 59 (30%) years old. It is interesting to note the sizeable proportion of participants under the age of 40 who are involved in Bestprac. These results are shown in the graph below.



### Number of years in Bestprac

Participants interviewed had been involved in Bestprac for a range of timeframes from one year or less, to over seven years. These results are shown in the graph below. The percentage of participants who had been involved in progressive years of Bestprac is shown on each of the columns in the graph below.



The results indicate a healthy level of succession, with 39% of participants joining Bestprac in the last two years.

## Bennett's Level 2 and 4 - Activities and Reactions

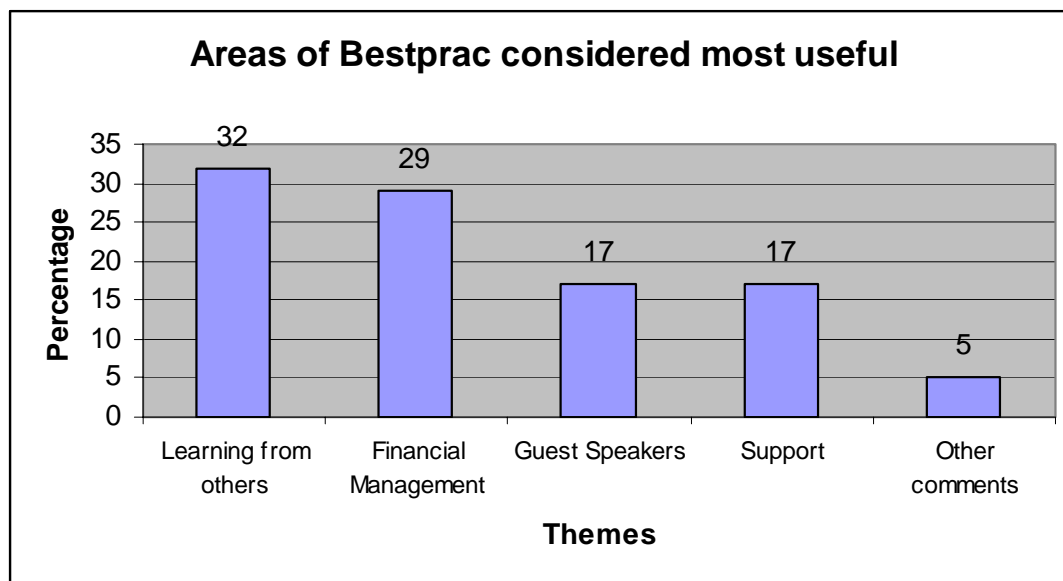
### How useful is Bestprac?

Participants were asked how useful Bestprac had been for them. Of the 57 participants who responded, 68% indicated that they had found Bestprac very useful, 18% indicated they had found it sometimes useful, and none of the participants indicated that they had not found it useful.

### What is most useful about Bestprac?

Participants were asked what were the three areas they had found most useful about Bestprac. Of the 57 participants who responded, the most common response was “learning from others in the group” (32%). This is similar to the results of previous evaluations which found that “sharing” was the most common response (Roberts 2001). Twenty-nine percent of participants referred to improved financial management (primarily benchmarking). Learning from guest speakers was mentioned by 17% of producers, and receiving support from the group was also mentioned by 17% of producers. The support was particularly referred to in the context of the drought conditions that the majority of producers were experiencing.

These results are shown in the graph below. Example comments from participants for each of the common theme areas is shown in the table below.



Common Themes	Example Responses
Learning from others in the group (32%)	<ul style="list-style-type: none"><li>• Learning from other's views</li><li>• Sharing ideas is great. Contact with other producers</li><li>• Amazing what you can come up with when you brainstorm together</li><li>• Getting new ideas and having regular contact with the group members who come from a diverse range of properties up to 350kms apart</li><li>• Group discussion of topics</li></ul>

	<ul style="list-style-type: none"> <li>• Hearing different ideas from the other participants and the facilitator</li> <li>• Getting feedback from others</li> <li>• Interaction is good, but could be better with more involved</li> <li>• Knowledge and experience within a group</li> <li>• Mix with very optimistic and progressive positive people in our industry</li> <li>• Talking to the other blokes in the group</li> <li>• Talking to others about problems and ideas</li> <li>• Doing projects together</li> <li>• Looking at the enterprise more as a business. Examining individual components and identifying ways to value add</li> </ul>
Financial Management (29%)	<ul style="list-style-type: none"> <li>• Benchmarking identifies weak issues that you can improve on</li> <li>• Benchmarking is a very useful tool</li> <li>• It can have such a huge impact on your bottom line</li> <li>• Financial management</li> <li>• Financial analysis</li> <li>• Wool profit map</li> <li>• Becoming more confident in the business and in marketing</li> <li>• Learnt to trade stock</li> </ul>
Learning from guest speakers (17%)	<ul style="list-style-type: none"> <li>• Having good information made easily accessible</li> <li>• Learning about salinity and Environmental Management Systems</li> <li>• Knowledge from guest speakers</li> <li>• Getting new ideas</li> <li>• Having up to date information</li> <li>• We are able to attract good quality speakers</li> <li>• Bestprac keeps us pretty educated. When I go to other days outside of Bestprac, I find I already know about the information they are talking about</li> </ul>
Support from the group (17%)	<ul style="list-style-type: none"> <li>• Having people from the same area, you realise that your problems aren't as huge as you thought they were</li> <li>• Group support</li> <li>• Opportunity for positive people to get together</li> <li>• Motivation</li> <li>• The social aspect has been a great help</li> <li>• Group bonding</li> <li>• Friends helping you in your business</li> <li>• Getting to see the neighbours, coming together to catch up</li> <li>• The openness and camaraderie in the group</li> <li>• Having the support and encouragement of a group</li> <li>• Keeping producers together as a peer group to support each other through the transition of changing management practices</li> </ul>
Other Comments (5%)	<ul style="list-style-type: none"> <li>• Going along with my partner and discussing things with him</li> <li>• Involves partners (wife) in the business</li> <li>• Made us better managers</li> <li>• Business planning</li> <li>• Gives a chance to take a day to step back and look at the business</li> <li>• Well being</li> <li>• Sustainability</li> <li>• General communication and familiarising with problems</li> <li>• Our facilitator has been a big part of the success</li> <li>• Networking from a business perspective</li> </ul>

### Correlation between number of years involved in Bestprac and perceived usefulness

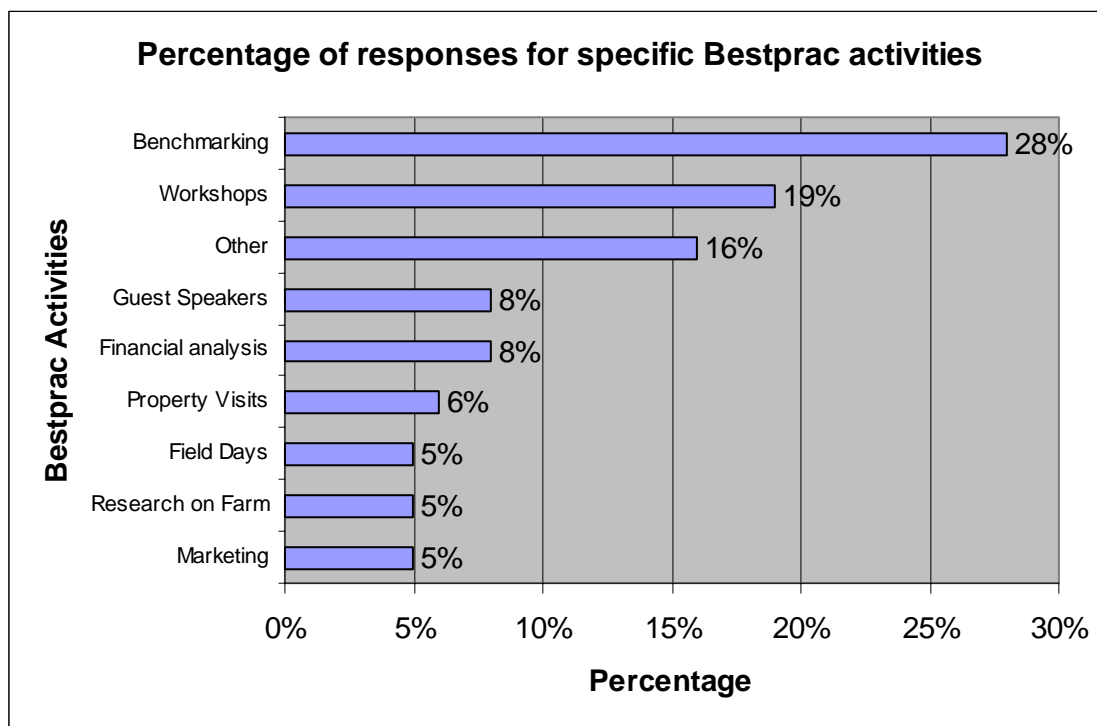
The number of years participants had been involved in Bestprac was correlated against their response as to Bestprac's usefulness. This analysis found that there was a *moderate* correlation of

0.326<sup>1</sup>. This means that participants who have been involved in Bestprac for longer tend to find Bestprac to be more useful than those who have been involved for a shorter period of time.

### Specific Activities in Bestprac – how useful were they?

The participants were asked to list specific activities that they had been involved in with Bestprac, and to give a score out of ten for how useful these activities were for them. Fifty-nine participants responded to the question providing a total of 107 responses. **NB:** some participants listed three activities, some two and others only one.

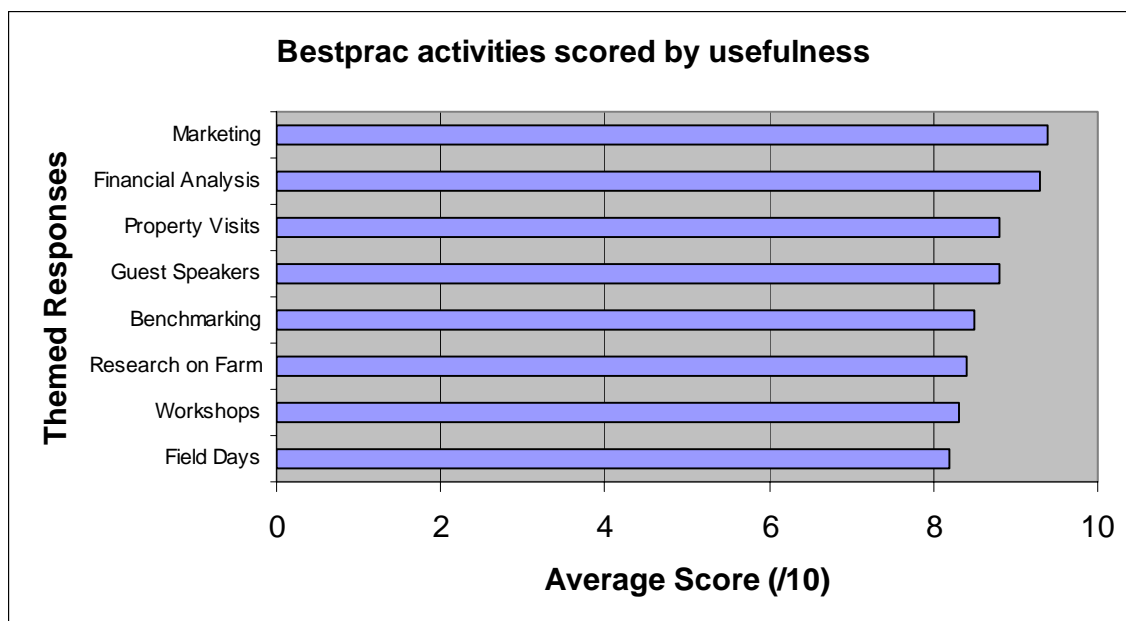
The most common responses and their percentage of the total number of responses are shown in the graph below.



The graph below also illustrates the average score of usefulness for each of these activities out of ten. Respondents scored all the activities over 8 out of 10 suggesting that they were all very useful.

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<sup>1</sup> A correlation of 1 means that there is a perfect positive association between two variables, and a correlation of 0 means that there is no association between two variables.



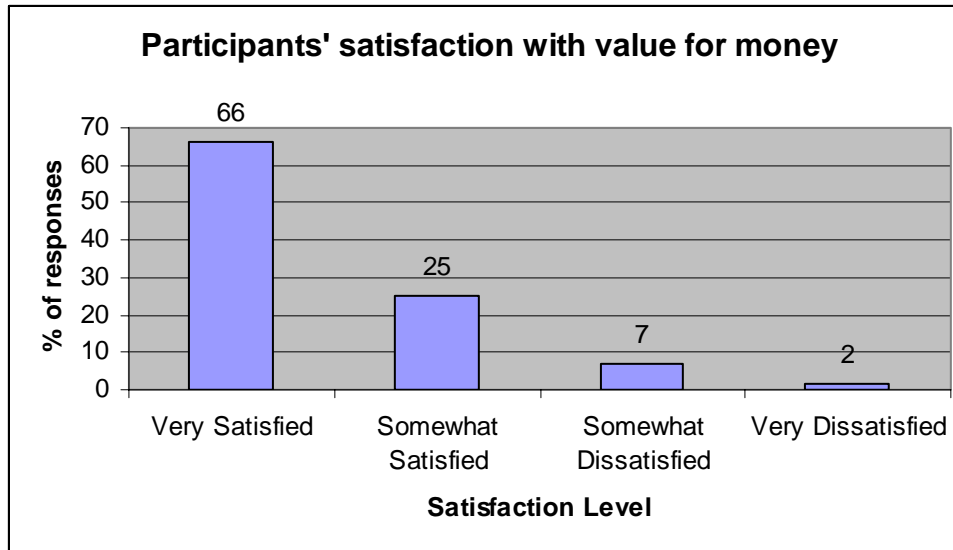
Other activities that were listed that were given a score of ten out of ten included:

- Analysis of how we spend our time
- Discussing profitability with the group
- Follow up teleconferences to stay in contact with group members
- Organics
- Property evaluations
- Weighing of sheep and lambs, when pregnant
- Brainstorming with the group on ways of dealing with the drought

### **Is Bestprac Value for Money?**

Participants were asked how satisfied they were that Bestprac represented value for money. Of the 56 participants who responded, 66% indicated they were very satisfied, 25% indicated they were somewhat satisfied, 7% indicated that they were somewhat dissatisfied and 2% indicated they were very dissatisfied. These results are displayed in the graph below.

It should be noted that the participants indicated that they pay different amounts to be a member of Bestprac, depending on which group they are involved in.



Several of the participants who indicated that they were somewhat satisfied, or somewhat dissatisfied with Bestprac being value for money provided the following comments:

- It would have more value if we were supported to have more regular contact between our group members
- We need more people to be involved to add value. We only have five properties in the group
- I was more satisfied with Bestprac before they changed the rules three years ago. It's become too beaurecratic and the Government is dictating the topics and the areas we cover. The group is too busy trying to justify itself for the funding and holding too many meetings. This is turning people away. We should have the flexibility to choose the topics we want and to have meetings when we want to
- I'm concerned that the consultants who are running our group are a mob of thieves

These comments also provide ideas for potential improvements that could be made to Bestprac. These are elaborated on in the section under *Suggestions for Improvement*.

### **Correlation between number of years involved in Bestprac and perceived value for money**

The number of years participants had been involved in Bestprac was correlated against their response as to Bestprac's perceived value for money. This analysis found that there was a weak correlation of 0.12. This means that there is only a weak trend that participants who have been involved in Bestprac for longer tend to be more satisfied that Bestprac represents value for money than do those who have been involved for a shorter period of time.

## **Bennett's Level 5 – Knowledge, Attitude, Skills, Aspirations**

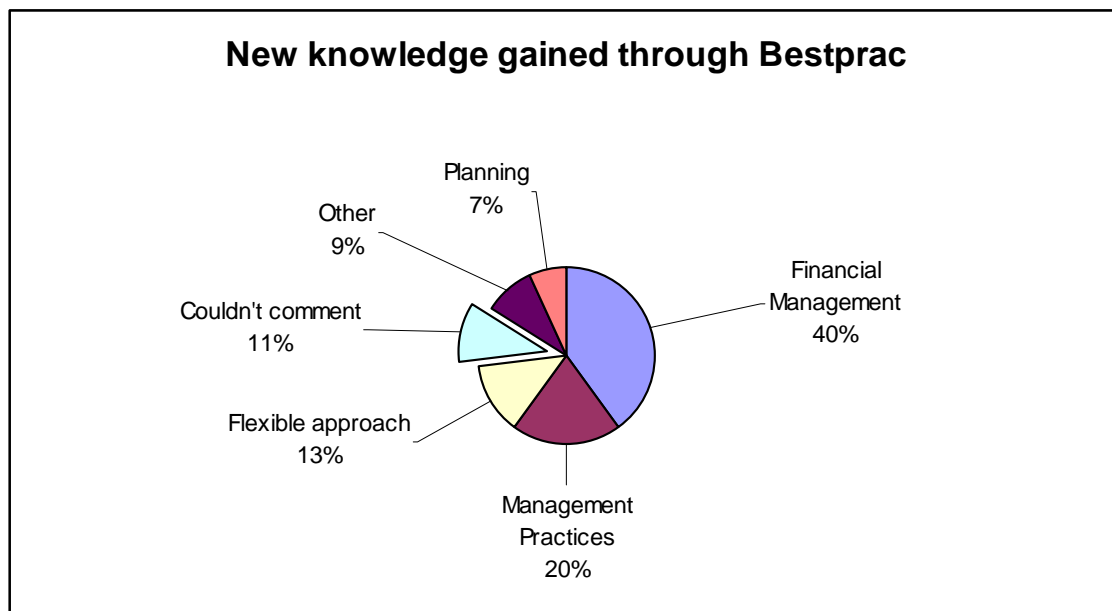
### **Knowledge**

Fifty four participants responded to the question of what was the most important thing they had learnt through Bestprac that helped them manage their enterprise. The most common response

was financial management (40%) with participants frequently referring to profit probe and benchmarking and the change in thinking of looking at the individual enterprises, not just the figures for the whole business.

Twenty percent of participants referred to learning specific management practices, or changing their management system to holistic management or rotational grazing. Thirteen percent referred to the importance of being flexible and trying a new approach, and seven percent referred to learning the importance of planning. Thirteen percent of respondents either had not been in Bestprac long enough to comment (this is to be expected given that 23% of the respondents had only been in Bestprac for one year or less), or could not identify one particular thing that they thought had been most beneficial to them.

The percentage of responses for each theme of new knowledge gained through Bestprac is shown in the graph below. Example responses for each type of themed knowledge is included in the table below.



Themes and % of total number of responses	Example Responses
Financial Management (40%)	<ul style="list-style-type: none"> <li>• Being aware of our financial situation and working out where we can cost save</li> <li>• Benchmarking – finding out where we are most profitable</li> <li>• Dissecting the things that impact on our business and identifying costs</li> <li>• Financial analysis</li> <li>• Profit probe – how to analyse your own business</li> <li>• Profit probe has helped us understand our gross margins and the strengths and weaknesses of each of our enterprises</li> <li>• Profit probe shows us the different costs of production and helps us find the real drivers of our business</li> <li>• The concept of looking at our enterprise as a business and in a practical sense</li> <li>• Maintain profits under adversity by reviewing the business constantly</li> <li>• More aggressive with sheep trading</li> <li>• Forward marketing</li> </ul>



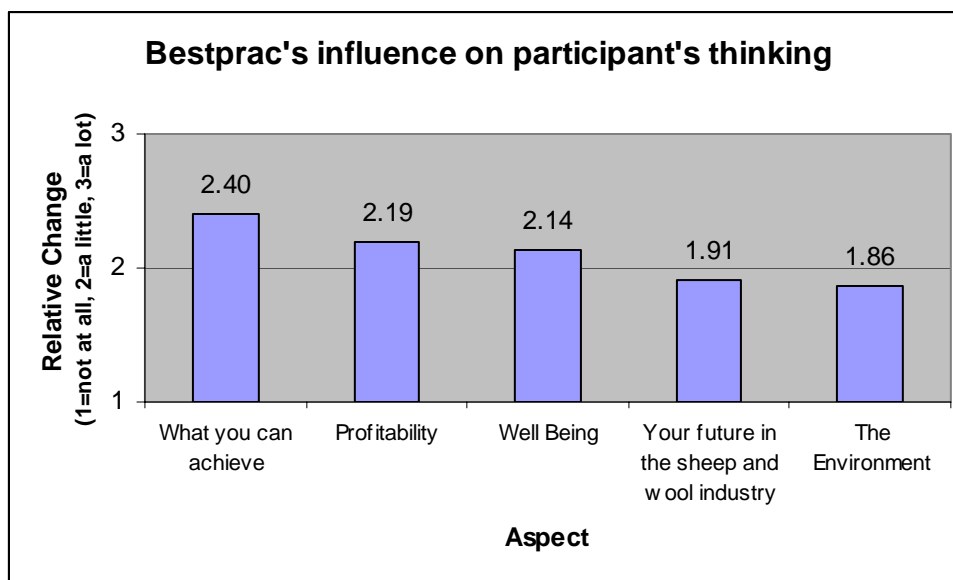
Specific management practices (20%)	<ul style="list-style-type: none"> <li>• Different ways of drought feeding, and working out what is the best and most economical way</li> <li>• To better utilise and make decisions about our land and our stock in times of drought</li> <li>• Feeding out low quality hay with grain rations to improve overall productivity</li> <li>• Specific management practices for the rangelands</li> <li>• Grass budgeting</li> <li>• Holistic management</li> <li>• How to best manage our resources (human and natural) through rotational grazing</li> <li>• Sheep nutrition with ewes and lambs. How much nutrition they need when pregnant and feeding lambs, and the time and type of feeding</li> <li>• Covered issues like weaning, and have overcome those problems</li> <li>• The most useful thing has been learning to establish an organic enterprise</li> <li>• We've done all the basic topics, salinity, sheep days, bull days, fertility, tree clearing. You take a little bit out of each.</li> <li>• Sell before the sheep smell</li> </ul>
Being flexible and trying a new approach (13%)	<ul style="list-style-type: none"> <li>• Having a broader and more flexible state of mind</li> <li>• To take opportunities quickly</li> <li>• Learnt that I do not know everything. Everybody has a good reason for doing what they are doing and you can learn from them</li> <li>• To have an open mind and to talk to people about things</li> <li>• To listen to what others are doing and to become answerable to yourself. Once you know how to do something better, you have to do it</li> <li>• To look at it as a whole and perhaps differently than you would otherwise</li> </ul>
Could not comment (11%)	<ul style="list-style-type: none"> <li>• Nothing</li> <li>• Nothing yet</li> <li>• Too difficult to identify one thing. It's all the years of participating in the group. Can't just identify one thing</li> <li>• It's too early to say</li> </ul>
Planning (7%)	<ul style="list-style-type: none"> <li>• Holding family meetings and developing a business plan for our outlook for 5 - 10 years ahead</li> <li>• The need to document goals and objectives for your property and management programme</li> <li>• We developed a farm business plan. That was a real turning point for us. It outlined our goals, soil types etc. Took this along to a bank. They gave us more money than we were asking for</li> <li>• Looking at our strengths, weaknesses, opportunities and threats</li> </ul>
Other Comments (9%)	<ul style="list-style-type: none"> <li>• Finding out that we can't grow fine wool in this country. Through doing a business plan we got money to trial measuring the diameter of our sheep's wool. We found our finer micro wool could not be sold because of burrs. We had to grow medium quality wool. That was a huge lesson and has made a huge impact on our profits.</li> <li>• If you can't measure it, then you do not know where you are going</li> <li>• Not thinking that office work is a waste time. It's ok to sit in the office. Can't wait for a cold wet day</li> <li>• Time spent researching and finding out things is always worthwhile</li> <li>• Relating to other people's experiences. Having what we know work reinforced</li> <li>• The importance of having a diverse enterprise, i.e. a balance of stock and farming</li> </ul>

## Change in Thinking

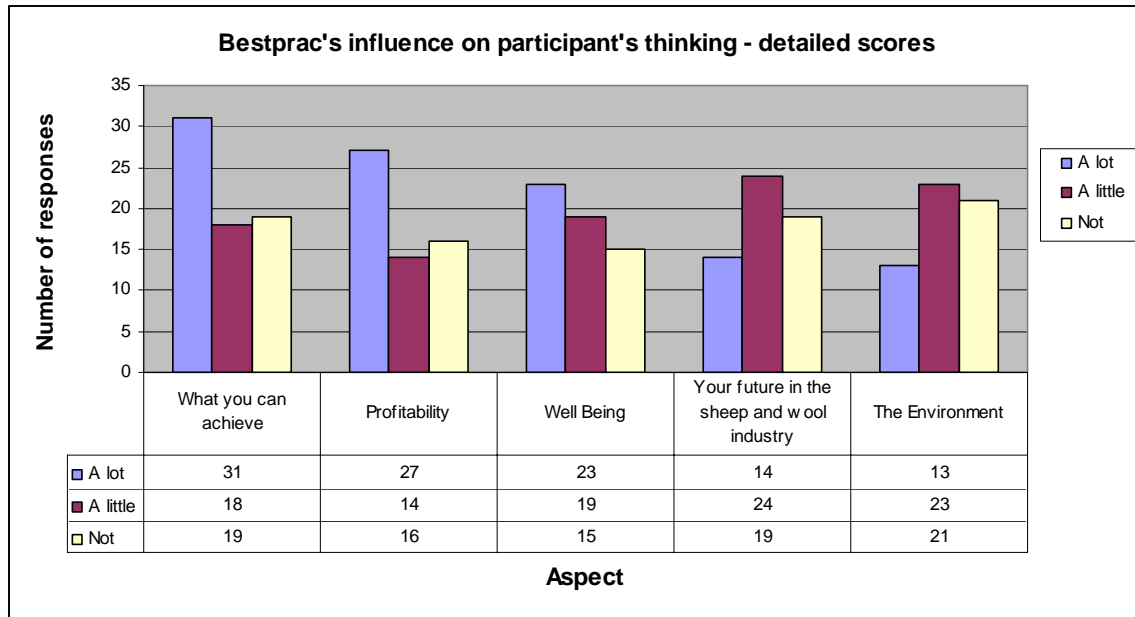
Participants were asked how much Bestprac had changed their thinking about profitability, well being, the environment, their future in the sheep and wool industry, and what they could achieve. Participants were asked to indicate whether Bestprac had changed their thinking a lot, a little or not at all about each of these aspects.

Fifty-seven participants responded to this question. Their responses were given a value of 3, 2 or 1 based on whether they indicated their thinking had changed a lot, a little or not at all. These scores were totalled for each aspect to give an indication of how much influence Bestprac had had on participants' thinking about each of these aspects. The closer the score is to three, the greater the influence that Bestprac has had on changing participants' thinking about that aspect. The results are shown in the graph below.

The results indicate that Bestprac has had the most influence on what participants' believe they can achieve, or in other words, their level of confidence in themselves. Following this, Bestprac had the next most influence on participants' thinking about profitability and their thinking about wellbeing. Bestprac has had less of an influence on participants' thinking about their future in the sheep and wool industry and the environment.



It is also interesting to note the number of responses for each of the aspects in regards to Bestprac's influence on participants' thinking. This information is included in the graph below. Example responses for each of these aspects are also included in the following text.



### Achievement - Change in thinking

Some of the participants who indicated that Bestprac had changed their thinking **a lot** about *what they can achieve* made the following comments:

- I've learnt a lot from Bestprac, but I won't be able to implement this until there is a better season
- Even though I've only been involved for a year, it's been a very trying time with the season as it is and so the discussions through Bestprac have been timely and have made a big change to my thinking about these issues
- Bestprac has revitalised a lot of us and made us realise that there is an upside to every downside
- I now understand that I can use genetics and the environment
- I now look at my business as a rural property rather than a farm
- Bestprac has improved my confidence to succeed
- We are more aware of alternatives
- We are more open to achieving things
- I have become a better manager

Some of the participants, who indicated that Bestprac had changed their thinking **a little** about *what they can achieve*, commented:

- We were already focused on what we could achieve. Bestprac has just helped us fine tune this
- Bestprac has given us the tools to get where we want to be with our business
- We now look at our enterprise and the way we can run other enterprises with cattle and sheep differently to what we traditionally did
- Bestprac makes you think about what you can achieve

Some of the participants who indicated that Bestprac **had not** changed their thinking about *what they could achieve* explained:

- In the current drought, our goal is just to survive
- It is too difficult to compete with the drought. I do not know if Bestprac would survive in drought areas. It seems to be very successful in the districts that are looking to diversify
- We are just in survival mode

- Bestprac has not changed our thinking because we have already done courses through RCS, so our thinking had already developed. One person in our group who had not done RCS has definitely developed their thinking

### **Profitability - Change in thinking**

Some of the participants who indicated that Bestprac had changed their thinking **a lot** about *profitability* made the following comments:

- We think about where to best spend money and not just how to save
- It's shown us ways to increase our profitability. We are now always looking for ways to have a better quality product
- Bestprac has taught us where to look for profitability and has given us the tools to look for key indicators
- Because of benchmarking we know where we are from one period to the next. We compare our enterprises to each other. We didn't do this before Bestprac. Being a part of the group, you are motivated to do better by comparing with others
- The program has brought things forward that we had not thought about, made us question things more
- I think more about whether my business is profitable or not

Some of the participants who indicated that Bestprac **had not** changed the way they think about *profitability* made the following comments:

- It hasn't changed my thinking, but it has shown me ways to become more profitable
- My thinking had already been changed through previous courses I had done outside of Bestprac
- It hasn't changed my thinking because the other members in my group have done executive link with RCS and their answers are linked too closely to what they learnt there. They aren't thinking for themselves, and so we as a group aren't having real thought provoking discussions about topics
- We were already doing a lot of things, and Bestprac has just given us a little bit of guidance to get there
- It has just cemented our practices. We were already proactive in education. It has confirmed what we know and given us quicker access to information

### **Well being - Change in thinking**

Some of the participants who indicated that Bestprac had changed the way they think about *wellbeing* **a lot** made the following comments:

- We are working harder and tougher for our wellbeing. It is a tremendous issue. I used to just stick my head down, now I recognise the need and the importance of spending more time together as a family. Our goal is to have a fantastic family unit
- It has given us confidence
- We have started taking holidays. Only short ones, but we make more of an effort to do this than we used to
- The people in our group are very proactive and buoy each other's spirits
- It opens you up to people, makes you feel better. If more people were involved in Bestprac, there would be fewer depressed growers

Participants who indicated that Bestprac had changed the way they think about *wellbeing* **a little** made the following comments:

- It has particularly raised men's awareness about wellbeing. Women have been aware of this for centuries

- I've found out that someone is always doing it tougher than I am
- Involve families
- It's given us a social outlet that we didn't have before. Helps us feel better about things
- I already looked after my physical health, but Bestprac has taught me to look after my mental health - to recognise my stresses and manage them. I have never been so stressed as I am at present
- Just from being part of a group getting together

Two of the participants who indicated that Bestprac **had not** changed the way they think about *wellbeing* explained that this had not been discussed in either of their groups. Both of these participants had been a member of a Bestprac group for two years.

### **Future in the sheep and wool industry - Change in thinking**

Some of the participants who indicated that Bestprac had changed the way they think about *their future in the sheep and wool industry* **a lot** made the following comments:

- We can now see where wool is situated in our enterprise; it is actually a positive financial part of our business, much to our surprise!
- We look at what we can do practically to keep the industry going. Bestprac has shown us that there are possibilities. Brings us back to looking at the basics and we are still optimistic. We mightn't have kept going otherwise. Bestprac has encouraged wool growers to stay in the industry and to address the worries on a financial practical basis. It has changed our mindsets
- It's been amazing. After doing the financial analysis, we were being creamed by the guys who weren't running for wool by \$30/head. It's given all of us the incentive to diversify. We learnt that there is no point diversifying into something that doesn't make you money. A lot of us have gone into SRS type wool sheep, and all have improved our wool and are now producing elite wools. This has been a positive result for the wool industry, that we are producing better quality wool and receiving better money for it.

Some of the participants who indicated that Bestprac had changed the way they think about *their future in the sheep and wool industry* **a little** made the following comments:

- We had started to make changes prior to getting involved in the group. Bestprac has consolidated our change of thinking
- We have always been positive
- I'm thinking a lot about my future, but not because of Bestprac
- Bestprac has given me the confidence to keep going with the wool side of my business
- It's like painting a picture and putting the red in the sunset. It gives you the opportunity to think about what's going on. More focused
- Profit probe lets you know where you stand
- Brought ideas to a head
- Reinforced my belief in the sheep industry

One participant commented that “after doing the benchmarking, I think a lot of us should be getting out of wool”.

Some of the participants who indicated that Bestprac **had not** changed the way they think about *their future in the sheep and wool industry* commented:

- Have always been optimistic
- The wool industry is on the way out
- I've always been positive. Neighbours have left, my wife has left, but I want to stay and to see the turn around
- Getting pushed out of sheep country by dingos, drought and predators
- We think about that everyday. Haven't learnt anything yet from Bestprac about this

- We are already positive people
- The price of wool has more impact than anything else

## The environment - Change in thinking

Some of the participants who indicated that Bestprac had changed the way they think about the *environment a lot* made the following comments:

- Learning how to manage our pastures
- It has really made us think about the pressure we are putting on the land. We possibly do not cover this enough in Bestprac and it's not a specific focus at the present time
- We have always been environmentally conscious but Bestprac has given us the tools to monitor the environment
- We learnt a lot through a holistic management course that we did
- Our group now understands our natural resources and knows our advantages and disadvantages

Many of the participants who indicated that Bestprac had changed the way they think about the *environment a little* commented that they were already very environmentally conscious before Bestprac. A typical comment from participants was “we live off the environment, we are thinking about this all the time”. One participant commented that Bestprac had made them more aware of the outside pressures to demonstrate good environmental management.

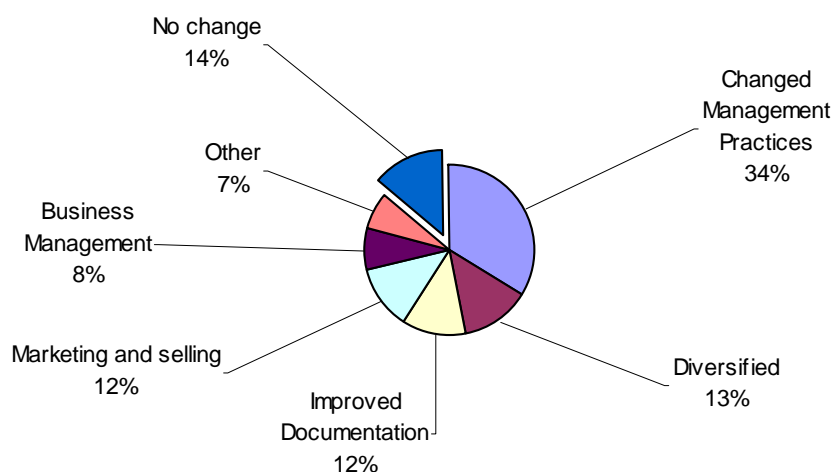
Participants who indicated that Bestprac **had not** changed their thinking about the *environment* commented:

- This is an ongoing thing that we address, but not through Bestprac
- We haven't done anything about that in our group
- This has not been discussed at all
- We learnt about the environment in previous courses, e.g. in property planning
- Landcare is the warm and fuzzy, Bestprac is for the greed

## Bennett's Level 6 – Change in Behaviour or Practices

Participants were asked about the practices they had changed in their businesses as a result of being involved in Bestprac. Fifty-six participants responded to the question. Their comments were themed, and the percentage of responses for each theme of practice change attributable to Bestprac is shown in the graph below. Example responses for each theme are shown in the table below.

### Practice change attributable to Bestprac



Themes and % of total number of responses	Example Responses
Changed practices to existing business (34%)	<ul style="list-style-type: none"> <li>• Changed nutrition to get better quality and more progeny</li> <li>• More intensive drought feeding</li> <li>• Put sheep into a feedlot</li> <li>• Have set up feed lotting on our property</li> <li>• Reviewing our feed supplementation</li> <li>• Better methods to control vermin</li> <li>• Scan ewes, worked on wetting and drying</li> <li>• Pregnancy testing of ewes - increased scanning</li> <li>• Got rid of unproductive sheep and bad mothers</li> <li>• Now buy stock in rather than just breeding</li> <li>• Refocused our breeding programs</li> <li>• Spread our ewes onto better feed when lambing</li> <li>• Put in smaller paddocks and more watering points</li> <li>• Pasture control and feed budgeting</li> <li>• Reviewed and changed bloodline in the sheep as a result of the trial we did</li> <li>• Run more weathers as a proportion of our flock</li> <li>• Shear the lambs at an older age</li> <li>• We want to change lambing timing and shearing dates but seasons have prevented us</li> <li>• Timing and type of feed for pregnant sheep and when they lamb, and feeding lambs</li> <li>• We changed our shearing and our lambing. We used to do everything following the family tradition. Best practice made us question these traditions. Used to lamb in August, September. Now lamb in April, May to have the summer rain. Shearing going into summer rather than going into winter</li> <li>• Changed our shearing, lambing and our genetics</li> <li>• The way we feed the sheep, what we feed them, when we feed them</li> <li>• Modifying work in the sheep yards - no longer have someone helping us, so changed so we can do the work ourselves</li> <li>• No till, low till, modification to feeding styles and machinery</li> </ul>

Diversification (13%)	<ul style="list-style-type: none"> <li>• Started two off farm businesses</li> <li>• Changing enterprises towards organic production</li> <li>• Difficult to relate it all to Bestprac, but Bestprac was certainly part of the general change. We have purchased a farming property to run in conjunction with our pasture property. Changed to mixed wool and meat enterprises, marketing and became certified organic and could directly market our lamb</li> <li>• Going organic</li> <li>• Started to manage our own superannuation fund</li> <li>• Diversified into a goat enterprise</li> <li>• Diversified into meat production. We have also looked into setting up alliances with other producers where they need to source lambs to finish them off</li> <li>• We are making a conscious effort to diversify our asset base through off farm investment. We have started an aquaculture project, and have started a major tourism project. We have also set up off farm shares and real estate</li> <li>• Bought a farm to supply nutritional energy, or different feeds to our property, and to diversify our business</li> <li>• Opened our property to tourists</li> </ul>
Improved documentation (12%)	<ul style="list-style-type: none"> <li>• Keeping better books and records of our figures</li> <li>• Spend more time at the desk</li> <li>• Have developed policies and procedural manuals to address occupational health and safety</li> <li>• We plan better, and write things down on paper</li> <li>• Documentation of property programmes i.e. when, where and what is happening</li> <li>• Updated and improved documentation</li> </ul>
Marketing and Selling (12%)	<ul style="list-style-type: none"> <li>• We do not hold the wool as long before selling. We try to identify the spike in the market and get in</li> <li>• Sell to customers direct instead of through a broker</li> <li>• Use different methods to sell wool. Used to only use one method. We are now price makers rather than price takers</li> <li>• Better able to read markets</li> </ul>
Business Management (Planning, financial management, budgeting and monitoring) (8%)	<ul style="list-style-type: none"> <li>• Better at identifying and solving problems</li> <li>• Financial monitoring and planning</li> <li>• Planning, budgeting</li> <li>• Spend more time assessing profitability</li> <li>• We continuously check the performance of the business, seeing where it needs improvement</li> <li>• We review things over time and make changes based on that information rather than memory</li> <li>• We put more time into planning</li> </ul>
Other comments (7%)	<ul style="list-style-type: none"> <li>• More accountable to ourselves</li> <li>• We have improved our communication within the family business and we make better use of our natural resources</li> <li>• Succession planning</li> </ul>
No change attributable directly to Bestprac (14%)	<ul style="list-style-type: none"> <li>• It's been difficult to implement anything, have been in a continuous drought situation for nearly 10 years. Bestprac has reinforced us and given us the tools to make it work</li> <li>• No, it has just reinforced what we already knew</li> <li>• None</li> <li>• None yet. It has been too dry</li> <li>• We were in the process of changing anyway</li> <li>• It will take more than 12 months to show a real impact. We have had a very dry season and we are coping with it so far, so there are signs that the strategy is helping</li> </ul>

There was a range of responses in regards to the degree that Bestprac had played in being the catalyst for the changes. Many participants attributed all of the change to their involvement in Bestprac. Others explained that Bestprac was one influence among others that had contributed to them making the change.



One participant described the role that Bestprac played in the changes that he had made on his property.

Bestprac is just one factor that helps us make the decisions. Because of Bestprac we are now making better decisions for things we always had in our head and in our business plans. We have always been thirsty for knowledge. Bestprac has made us better at being hungry for knowledge, keeps us enthusiastic to learn, helping us make commitment on how we will evaluate our production and gives us hard data to use to make decisions. From this we will make more money and a better return on our assets.

Another participant explained that “Bestprac has consolidated the ideas we already had, and given us the tips to implement them”.

## **Bennett’s Level 7 - Outcomes**

Participants were asked to identify what the impact (positive or negative) had been of the changes they had made as a result of Bestprac.

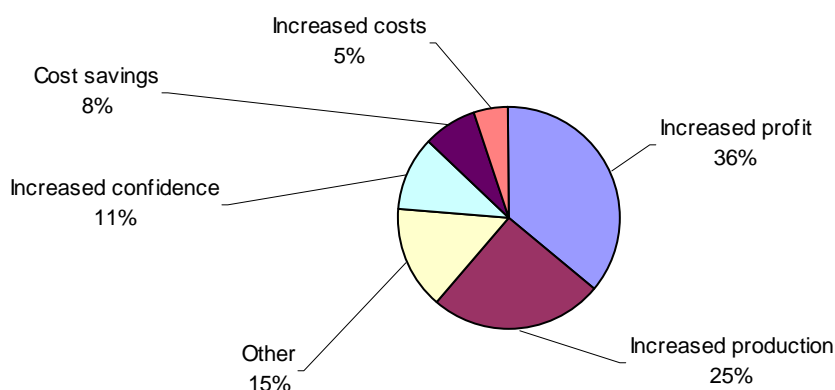
Thirty-six participants responded. An additional 18 participants indicated that the question was either not relevant for them or that they could not comment on any outcomes achieved. This was for a range of reasons, but predominantly because they had not been in Bestprac long enough, or the seasons had been too dry for them to make any changes to their business that they attributed to Bestprac. As one participant commented

The seasons have been against us, so it is difficult to see an impact. I feel that if we had a better season then we would have seen an increase in production and profitability. We can't give a quantitative measure yet, but we expect to reap the benefits of our changes when we get rain.

The participants’ responses were themed and given a percentage based on the number of responses that corresponded with each theme. The most common response was increased profit (36%). This was followed by increased production (25%). **NB:** many of the participants who indicated that they had experienced increased profit had also experienced increased production. However these responses were only included in the ‘increased profit’ category, not the ‘increased production’ category as well.

The results are shown in the graph below, and example responses for each theme are given in the table below.

### Outcomes attributable to Bestprac



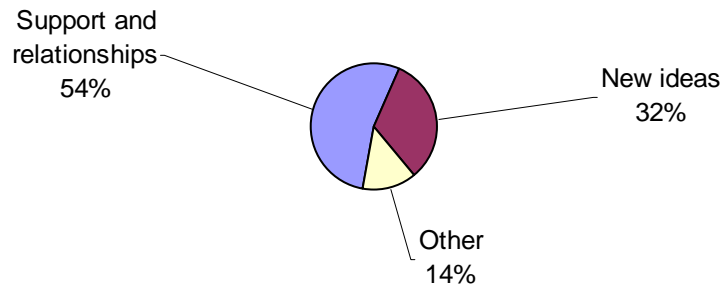
Themes and % of total number of responses	Example Responses
Increase in profit (36%)	<ul style="list-style-type: none"> <li>• 50% increase in profit. By changing our shearing to suit our lambing rather than the other way round, we could shear before they lambed, lambed later when the season was open and our tensile strength is greater and our lambing percentages have gone from 60% to 110%</li> <li>• Absolutely. Since we started Bestprac, the different things we've been trying, marketing of wool, new ram genetics etc have lowered our microns, so we are getting better prices for our wool. We have increased our scale and now employ a couple of people. Our profitability has increased 20% over five years, but also because of increased commodity prices</li> <li>• The other businesses I have established are only new, but the livestock business has already increased its profit by 20% and I'm predicting the earthmoving business will improve profitability by 30%</li> <li>• Since we diversified into goats, they have made up 30% of our income. We would have been a lot worse off without them</li> <li>• Overall we are more profitable because of Bestprac</li> <li>• We have increased profitability and production by 10 - 15% over the six years we have been involved in Bestprac</li> <li>• It hasn't rained in five years but we are way in front of where we were coming out of the last drought in terms of our financials, quality time with family, number of stock on the ground and our return on asset. We haven't made any losses; we have funds off farm in deposits. Despite the economic demands on our family being at a peak (sending children to school) we are managing these costs</li> <li>• We are more profitable</li> <li>• We do seem to be more profitable. We were earning around \$200 000/year at the start of the program, and now earn \$300 000. This is a 50% increase, but it took longer than three years to achieve</li> <li>• We have become more profitable through having more calves and lambs</li> <li>• 40% more value from our product</li> <li>• Surplus stock sales have increased from 30% of annual turnover to 50% and now worth more money</li> <li>• Has made an impact on profit by around 5% and has increased lambing by 2 - 3%. Wool cut has also increased</li> </ul>

Increase in production (25%)	<ul style="list-style-type: none"> <li>• Able to have a higher lambing percentage from 60% to about 92% average this year which is a significant gain</li> <li>• Better production through vermin control, and sustaining the sheep through the feed lot</li> <li>• Lambing percentages have gone from 40 - 50% to 90% in similar condition years</li> <li>• Our lambing and weaning percentage has increased. In some paddocks it was 65% and it has increased to 92% and 103% and they weaned at that percentage</li> <li>• We have increased our production and increased our property improvements, and decreased our debt and had no rain</li> <li>• Our marketing has improved and we are getting better prices</li> <li>• Through feed lotting we are getting quicker results off the sheep, but it is also more expensive. Overall Bestprac has had a positive impact on our business and we are probably only getting through because of the changes we have made</li> <li>• There has been an improvement in our pastures from the changes we have made despite the season</li> <li>• We haven't gone backwards financially as much as we could have</li> </ul>
Increase in confidence (11%)	<ul style="list-style-type: none"> <li>• Huge personal and professional confidence boost</li> <li>• Improved personal confidence of my wife and me. She is more involved in the business</li> </ul>
Cost Savings (8%)	<ul style="list-style-type: none"> <li>• Pregnancy scanning has saved us feeding costs from taking the dry ewes out</li> <li>• Scanning has saved us \$20 000/year in feeding costs</li> <li>• Rotational grazing has helped me to have better utilisation of feed and has given me a better indicator for the amount of pasture available.</li> <li>• Adding urea and minerals, (water medication) is saving us 3c/DSE/day in supplementary feeding costs. We are running 15 000 head so this is equivalent to \$450/day over the three months we feed each year. This saves us around \$39 000 each year.</li> <li>• Saving \$4000 each year</li> </ul>
Increased costs (5%)	<ul style="list-style-type: none"> <li>• Adding lick blocks didn't work because the sheep get a lot of salt through salt bush. The blocks cost us a bit and they are now sitting in the shed, but it was interesting to try it to see if it worked</li> <li>• There are some more costs with Bestprac, because you are trying to be innovative rather than just limping along. You take the extra work and cost up front. We might do a bit of overkill, do too much</li> </ul>
Other comments (15%)	<ul style="list-style-type: none"> <li>• Improved documentation and planning meant that everyone knew what was happening; it wasn't just in someone's head</li> <li>• When the property was sold, it went for a high amount because of how well it had been managed</li> </ul>

## Unintended Benefits

Participants were asked if they had experienced any unintended benefits from their involvement in Bestprac. Thirty six participants responded. Of these, 17 indicated that they had not experienced any unintended benefits from Bestprac. The responses from the nineteen participants who indicated they had experienced unintended benefits from Bestprac were themed. Of these responses, 54% indicated they were surprised at the level of support and relationships that were built through Bestprac, and 32% were surprised at the new ideas they learnt. These results are shown in the graph below, and example responses are included in the table below.

### Unintended benefits gained from Bestprac



Themes and number of responses	Example Responses
Support and relationships (54%)	<ul style="list-style-type: none"> <li>• Camaraderie in the group and learning to understand different personalities</li> <li>• Contacts and inspiration from like minded people</li> <li>• I didn't expect to get so much support and knowledge from other peers within the group</li> <li>• Made close long-lasting friendships with the other people in our group</li> <li>• Moral support by being part of a group</li> <li>• It is more than just an educational group, but the meetings aren't just social because we keep them on track</li> <li>• Networking, building relationships in the community</li> <li>• We've realised that we are not alone and that our businesses are in a common boat</li> <li>• Built a more trustful relationship with neighbours</li> <li>• Friendships on a much deeper level</li> <li>• Level of confidence in the group and total respect for each other</li> <li>• Some of the people who live in our district we now have much more contact with. Previously we saw them only a couple of times a year. We now socialise with them outside of Bestprac</li> <li>• The group of people we got involved with have become a pretty close knit group</li> <li>• We can discuss things at a level that you would not go to at other rural meetings</li> <li>• Personal and financial things have come to light</li> <li>• We have discovered something that we have been missing. The openness and frankness of the group has given us an outlet</li> </ul>
Gaining new ideas (32%)	<ul style="list-style-type: none"> <li>• Due to the use of innovative ideas gained from Bestprac and the successful use of these ideas, it helped my business win me the "NSW Farmer of the Year" in 2004. This title has then helped me gain much market advantage in direct marketing of my organic produce</li> <li>• Gave us a bit more information that we used to get from DPI</li> <li>• Meeting people with different ideas</li> <li>• The group has given the members the confidence to trial new and innovative ideas and to learn from each other. For example some of the group members are looking at turkeys, and others are observing how one member goes with his feedlot</li> <li>• Was surprised at how much I didn't know</li> <li>• I was surprised at the different range of views that were around</li> <li>• I was surprised that there was money to be made out of trading stock</li> <li>• How much personal information people share, and financial information</li> <li>• Sharing different points of view</li> </ul>

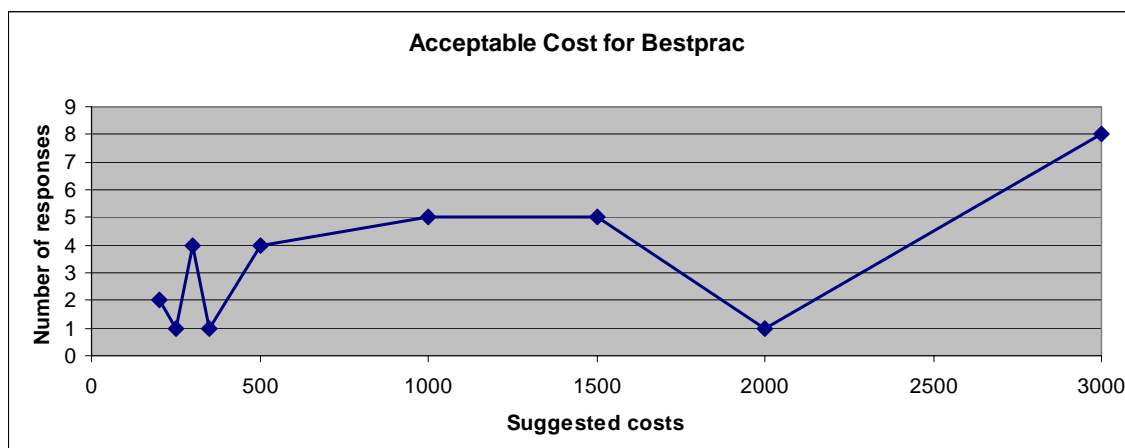
	<ul style="list-style-type: none"> <li>• Learning about other family farming practices, opinions and ways of life</li> <li>• Being able to look at other people in situations they are in. Learning what other people try to make money, and to learn what worked and what didn't</li> <li>• We were surprised at how wool profit works and what we got out of it</li> </ul>
Other Comments (14%)	<ul style="list-style-type: none"> <li>• Gaining casual work from the other group members</li> <li>• Surprised that we were getting subsidised</li> <li>• The biggest surprise is the degree that it has woken us up</li> <li>• Travelling out of our immediate area to visit other members of our group has been fantastic. Like having a holiday. We see how they live, what their land systems are like, what their hopes and dreams are and what their lifestyles are. We have travelled up to 800kms away</li> <li>• We topped the market with our culled sheep</li> </ul>

## Costs of Bestprac

During the interview, it was explained to participants that if Bestprac was no longer subsidised, the current service they receive would cost \$3000 per business for annual subscription. Participants were asked whether they would be prepared to pay this amount, and if not, how much they would be prepared to pay.

Of the 59 participants who responded to the question, **51 (86%)** indicated they would **not pay \$3000** for Bestprac and nine (14%) indicated that they would be willing to pay \$3000 for Bestprac. Of the participants who indicated they would not pay \$3000 for Bestprac, 23 provided an alternative figure that they would be prepared to pay.

These figures are shown in the graph below.



The participants who indicated that they **would be** prepared to pay \$3000/year for Bestprac made the following comments:

It costs \$3000 to get your books done, so yes I'd pay this much for Bestprac

We would pay because of all the benefits we have gotten out of it. But I know that others in our group would not have become involved unless it had been subsidised. That's the hook. Once they are hooked, they are pretty interested to stay involved

We would pay what we had to, to keep it going. I personally would pay \$3000 but the others in the group probably would not

It's definitely worth that much to your business. But that doesn't mean you should take the subsidy away

If it was run by a facilitator in a business like manner and focused on the whole business and options available such as lifestyle and investments. And meetings should be held regularly every few months

Participants who indicated they would **not be** prepared to pay made a number of comments. These are collated in the table below.

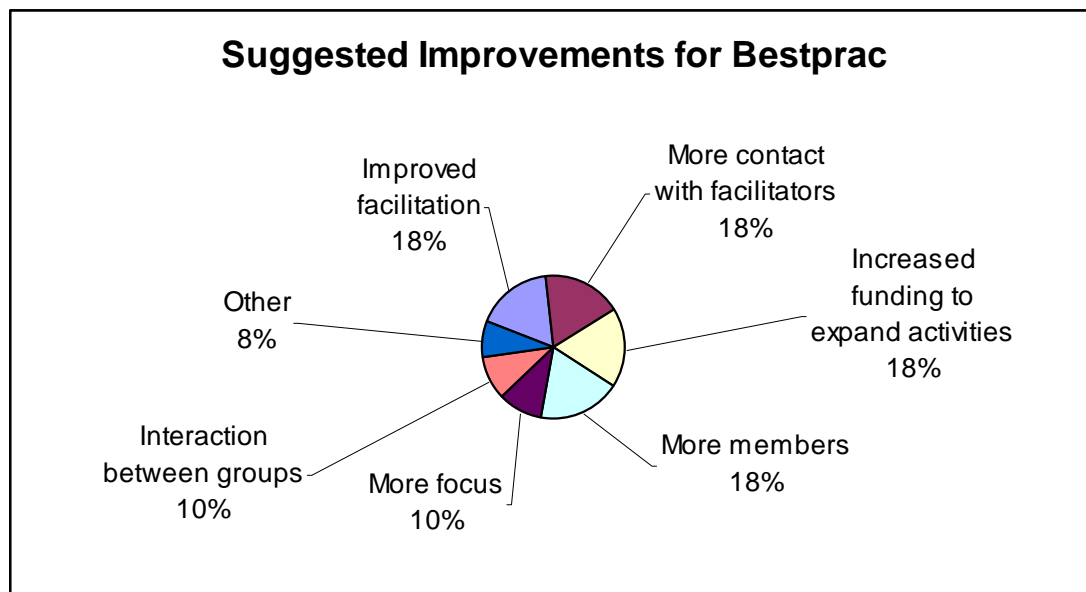
Themes and number of responses	Example Responses
Tough conditions (drought) (16)	<ul style="list-style-type: none"> <li>• One valuable group member has already dropped out because the cost increased to \$600 /year</li> <li>• Not about being prepared, more about being able to. \$3000 would cover our rates for a year</li> <li>• We already invest our time into being involved, but cash as well would be too difficult</li> <li>• It's hard in the current economic climate. This is the sort of thing that isn't absolutely necessary, so you would have to drop it</li> <li>• I would drop out as it is already too difficult to get the group together, and it would be impossible if it cost any more than it does. The group would cease to exist out here</li> <li>• Nothing until the drought breaks</li> <li>• Perhaps at a future date, particularly if it was tax deductible. People do pay this much and more for other training courses, so some will pay this amount</li> <li>• I do not think we should need to pay anything. It's hard enough just to get our feet on the ground in the current conditions</li> <li>• In the current season we could not pay that amount, and we have only been in the group for 12 months, so are yet to see the full value of it</li> </ul>
Bestprac should be subsidised (5)	<ul style="list-style-type: none"> <li>• My family has paid a lot of money in taxes to the AWI. I would be reticent to pay more for this program as it is one of the useful things we actually get back for the money we pay in taxes. I do not believe in subsidies or handouts, but subsidising this program is important</li> <li>• The program should be fully subsidised</li> <li>• At the moment our time is extremely valuable. We put our time and effort into Bestprac and the rest should be subsidised</li> <li>• Farmbiz should subsidise Bestprac</li> </ul>
Bestprac isn't worth this amount (6)	<ul style="list-style-type: none"> <li>• I wasn't prepared to pay \$400 for the second year of the Bestprac, much less \$660 for the third year for the type of information I was receiving from RCS. \$3000 would be a joke</li> <li>• I can't see the value of more than \$500</li> <li>• Not at our stage of life as we are soon to retire</li> <li>• Some days are great in Bestprac, other meetings (i.e. the ones without a facilitator) are not. On these days I would not like to pay so much</li> <li>• We are in debt, and the info we get through Bestprac we could source elsewhere</li> <li>• We'd pull out of it and do what we are without a facilitator</li> <li>• Within our group, we can organise something similar by utilising the resources within our family</li> </ul>
Other comments	<ul style="list-style-type: none"> <li>• We would only be involved in one group rather than two</li> <li>• If we got the benchmarking as part of it, I'd pay \$2000. We currently pay for the benchmarking separately</li> <li>• I would not give it one cent for the next few years. But in a few years time I would stick in a few grand. We have learnt a lot already, and I need a break from it to start applying what I've learnt</li> <li>• I'm not sure, but we would do something to keep the group together</li> <li>• Too loaded a question to cover off the cuff</li> </ul>

## Correlation between number of years involved in Bestprac and willingness to pay \$3000

The number of years participants had been involved in Bestprac was correlated against their willingness to pay \$3000/year to be involved in Bestprac. This analysis found that there was a weak correlation of 0.27. This means that there is a weak trend that participants who have been involved in Bestprac for longer are more willing to pay \$3000, than are those who have been involved for a shorter period of time.

## Suggestions for Improvements

Participants were asked what could be improved about Bestprac. Fifty-five participants responded. Of these, 60% indicated that there was nothing they thought should change about Bestprac. The responses of 22 participants (40%) who suggested improvements were themed. Each of the themes were given a percentage based on how many of the 22 participants mentioned that particular type of improvement. These results are shown in the graph below, and example suggestions are included in the table below.



Themes and % of total number of responses	Example Responses
Improved facilitation (18%)	<ul style="list-style-type: none"> <li>I'm worried that there are too many consultants getting in and taking over, and taking the money. They are charging exorbitant prices to do the benchmarking and this means there is less money for the groups. Consultants are only there for their own interests. The consultancy that runs us also runs four other groups. The agendas are broad and aren't tailored to suit the needs of our group. We have lost a third of the group over the seven years, though this was also partly because of the drought</li> </ul>

	<ul style="list-style-type: none"> <li>• With the group, the main thrust has been towards the RCS grazing for profit thinking and mentality</li> <li>• Improved facilitation to have more in-depth focused discussion. Need facilitators who have a good track record of getting outcomes from a group. Need a strong economic background as well as an inquisitive mind and an understanding of rural industries</li> <li>• A way to reduce listening and increase participation, e.g. could break into smaller groups at the beginnings of meetings</li> </ul>
More contact with facilitators (18%)	<ul style="list-style-type: none"> <li>• To have a facilitator come around to the members one on one when you are doing the profit probe analysis. Because sometimes you need specific information or analysis of your figures and if you get into that sort of depth in a group you can take longer than you have time for. If the facilitator could have half a day on the members properties before the group meets, then you can pull out the stuff that is really only relevant to you. This would facilitate a better group meeting</li> <li>• Having the facilitators offer on hand business support on an ongoing basis, not just to arrange the meetings etc.</li> <li>• We've been lucky in our group in that we have a good facilitator. Some group things are fantastic, but it would be nice to have a half day/year with the consultant on your own business</li> <li>• Some of our meetings we do not have a facilitator. These meetings do not run well and it's hard to keep people on track. A change would be to always have a facilitator</li> </ul>
Increased funding to expand the activities (18%)	<ul style="list-style-type: none"> <li>• More funding to allow us to do more things together such as running research trials</li> <li>• More funding would be good to travel to China and look at the wool set up over there</li> <li>• More funding would allow us to broaden the scope of Bestprac</li> <li>• We would get more out of our group if we could have additional contact. Funding to help cover the cost of teleconferences, or to help with the travel costs of group members would help the group achieve more. Some of our group members are up to 350kms apart so this is a big factor on whether they can attend meetings or not</li> </ul>
More members (18%)	<ul style="list-style-type: none"> <li>• In our region, people's willingness and ability to participate needs to increase. I would not change the delivery of Bestprac</li> <li>• More farmers to attend</li> <li>• Get younger people to join</li> <li>• We need a bigger group. We currently only have six properties</li> </ul>
More focus (10%)	<ul style="list-style-type: none"> <li>• It needs to have a firmer focus. Each group should set clear objectives for the year. That way you are not so dependent on the coordinator keeping the group focused. Otherwise it runs off track if you do not have a good facilitator</li> <li>• More focused and shorter meetings</li> </ul>
Interaction between groups (10%)	<ul style="list-style-type: none"> <li>• More interaction between other Bestprac groups - possibly via newsletters</li> <li>• Setting up tours to visit other Bestprac member's properties in other districts would attract people, and those who went would talk about it a lot back at home and so bring people in through word of mouth</li> </ul>
Other comments (8%)	<ul style="list-style-type: none"> <li>• Half a day would be better than a full day; you start to lose interest for a full day</li> <li>• Specialist speakers in their fields for the guest speakers</li> <li>• We achieved more at the start when it wasn't so regulated. We stick to the criteria too much, and have too many meetings. This is turning people away. The group and the facilitator are trying to justify themselves for the funding. It's becoming too bureaucratic. Government is dictating the topics and the areas we cover. We should have more flexibility to choose the topics we want, and to have meetings when we want to. At the moment we have to meet every three months.</li> <li>• Would like notes on the day's proceedings - at present no one takes notes or minutes for distribution</li> </ul>

An additional area for improvement implied by two of the participants was to better link Bestprac in with other funding programs, and particularly to promote the program through the various catchment management associations. For example, one of the catchment management authorities in NSW fund participants to attend various training programs and links attendance with their eligibility to receive incentive programs. The interviewee explained:



Our CMA pays for growers to attend one of three types of training programs. These are the holistic management course (\$2300/landholder), grazing for profit (\$2500/landholder) and tactical grazing management which is run by DPI. The CMA also has incentives linked to these programs to help landholders change the management practices that they identify through these programs. Together this makes it a very attractive and affordable package. Bestprac should make itself more known to the CMA's to try and link in with these programs.

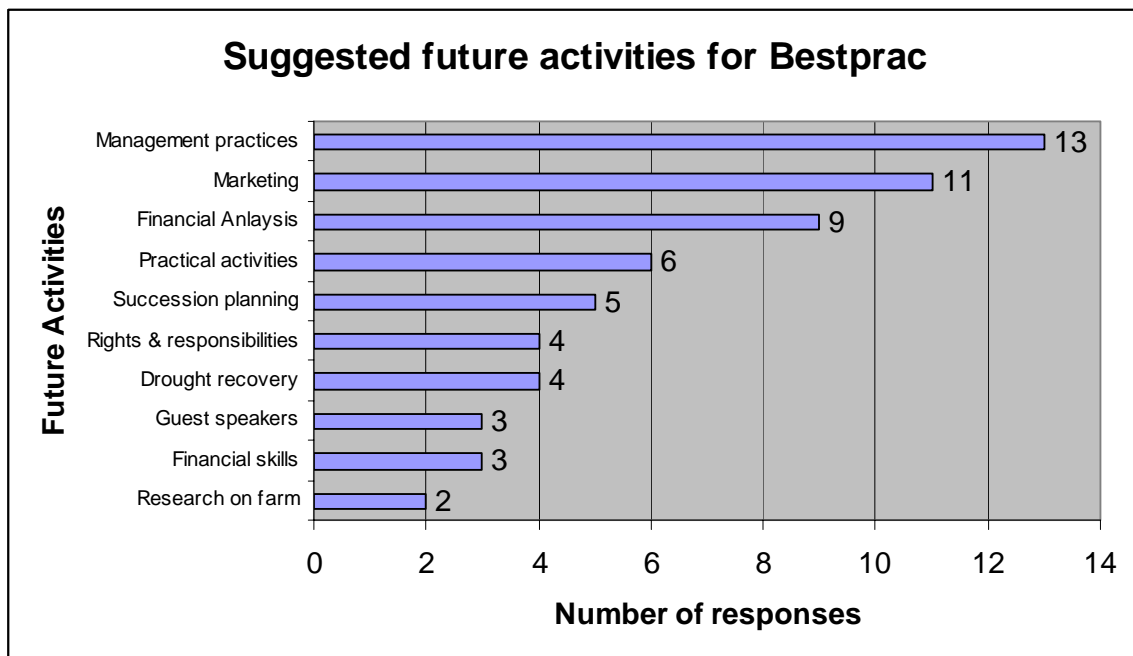
Additionally, in Western Australia, the Gascoyne Murchison Strategy was used by Bestprac participants to help fund some of the business plan ideas they had developed through Bestprac. As one participant commented, "Bestprac gave us the principles of what to do, and it [the funding through the Gascoyne Murchison Strategy] gave us the funding support to implement the principles".

**Recommendation:** To consider all of the suggested areas for improvement and make changes where deemed relevant. The suggestion of improved facilitation warrants further investigation.

**NB:** All of these comments from the section "Improved facilitation" came from members of Bestprac groups in Queensland.

## Future activities with Bestprac

Participants were asked what future activities they would like to undertake with Bestprac. Fifty-seven participants responded. Of these, 45 participants suggested future activities and 12 participants did not suggest any future activities because they felt this was already being covered very well within the planning done by their group. The suggested activities were themed and the number of responses recorded for each theme. These results are shown in the graph below, and example responses are included in the table below.



Theme and Number of Responses	Example responses
Management Practices (13)	<ul style="list-style-type: none"> <li>• Rotational grazing</li> <li>• Total grazing pressure</li> <li>• Genetic gain, look at the genetics of the ram</li> <li>• Genetic Breeding Value (GBV)</li> <li>• Like to focus on mutton or lamb production in conjunction with wool</li> <li>• Other options to mulesing</li> <li>• Shearing techniques and mulesing</li> <li>• Nutrition requirement of sheep for breeding</li> <li>• Nutritional aspects of feeding sheep haven't been covered in Bestprac to date</li> <li>• Supplementation</li> <li>• Find out what vitamins and minerals are missing so we can supplement their watering systems. Need to research how to do this at the large scale. Need practicable solutions for the large scale we are operating at</li> <li>• Optimal wool production</li> <li>• Feed analysis</li> <li>• Fodder</li> <li>• Machinery</li> <li>• Workshops on the productivity drivers (lambling %, wool quality, cut/head, pastures and different management practices such as rotating the mobs</li> <li>• Sustainability and coping with climate change</li> </ul>
Marketing (11)	<ul style="list-style-type: none"> <li>• Marketing organic lamb</li> <li>• Marketing our product to give us an edge</li> <li>• Wool marketing</li> <li>• How to gain better access to markets</li> <li>• Different ways of forward selling and picking the markets to maximise return /kg</li> <li>• Do more deciling of rainfalls, Australian dollar, wool market etc.</li> </ul>
Financial analysis (9)	<ul style="list-style-type: none"> <li>• Continue with financial analysis</li> <li>• Continued benchmarking</li> <li>• Look more at our profitability and how we can improve it perhaps through cost cutting measures</li> <li>• Wool profit map</li> <li>• Look at our finances more</li> <li>• We need to concentrate on identifying practices that are profitable. More information on pricing would be helpful</li> <li>• Profit probe will be always interesting</li> <li>• Comparing wool to prime lamb to see which is the best</li> </ul>
More practical activities (6)	<ul style="list-style-type: none"> <li>• Would like to get out of the room more than we do</li> <li>• Visit other producers to see their businesses</li> <li>• More outside work, combine with a field day etc. on farm demonstration</li> <li>• Go outside our area and to look at different things. Perhaps a bus trip to see other enterprises</li> <li>• Visit a processing plant to see what happens to our wool, or an abattoir</li> <li>• Field trips to other Bestprac groups</li> <li>• More field trips to look at different types of management</li> </ul>
Succession Planning (5)	<ul style="list-style-type: none"> <li>• Cover more material about people, e.g. communications and succession planning. Have a better balance between this type of material and the practical information</li> <li>• Estate planning and education issues</li> <li>• Succession planning - introducing the next generation</li> </ul>
Recovering from the drought (4)	<ul style="list-style-type: none"> <li>• Finding strategies to upgrade pastures from the drought as economically as possible</li> <li>• Assessing our data from previous years because we haven't done this since the drought - getting knowledge for the next drought</li> <li>• Ideas on how to generate cash flow when we have completely de-stocked</li> <li>• Ways to recover financially to get back what we have lost</li> </ul>

Aware of rights and responsibilities (4)	<ul style="list-style-type: none"> <li>• Policy and legislation. Education on how to be ahead environmentally, government policy in marginal lands, and overseas attitudes towards farming in Australia, and animal rights</li> <li>• Have a more collective input into the rangelands and running our varying business and being more aware of what information and codes of conduct are available and our responsibilities and how we can cope with issues that come around - marketing, trespass etc.</li> <li>• To have a better understanding of rights and responsibilities of pastoralists in regards to new legislation</li> <li>• Need to know where our money is being spent, our levies need to be accountable</li> </ul>
Broader financial skills (3)	<ul style="list-style-type: none"> <li>• Learning about off farm investing and how to evaluate companies on the share market</li> <li>• Expand to consider whole business, lifestyle and other investment options rather than rural property</li> <li>• Share market, wool futures</li> </ul>
Guest speakers (3)	<ul style="list-style-type: none"> <li>• Guest speakers on animal production</li> <li>• More guest speakers from specialists in their fields</li> <li>• More industry tours</li> </ul>
Research on farm (2)	<ul style="list-style-type: none"> <li>• Initiate projects under PIRD - Producer Initiated Research and Development</li> <li>• Research on sheep and wool is very limited compared to research into the cropping side of agriculture, bug control etc. It's time for a catch up. Need external researchers to work with us in the Bestprac group. They could do this on our properties</li> </ul>
Other Comments (8)	<ul style="list-style-type: none"> <li>• Like to go further with the EMS type concept to prove our environmental credentials to people who really do not know about what we are doing. If we can do that in a way that's transparent and based on fact and help them to understand</li> <li>• Chemical shearing</li> <li>• Different monitoring (business performance) to see how changes we have implemented are continuing to affect the business. And making further changes to maximise on the opportunities</li> <li>• Exceptional circumstances and how we apply for it</li> <li>• Low stress stock management course</li> <li>• How to add value to the community, retaining profits in the community</li> <li>• Occupational Health and Safety</li> <li>• The thing we would most like to get out of the group is to gain confidence in our own decision making</li> </ul>

The overall impression from participants was that they were happy with the range of activities being considered by their groups. However, the list of suggested activities could provide a useful reference point for group facilitators and groups when planning their agenda. The six responses that suggested having more practical, hands on activities, also reflects the need to review the facilitation methods for some of the Bestprac groups.

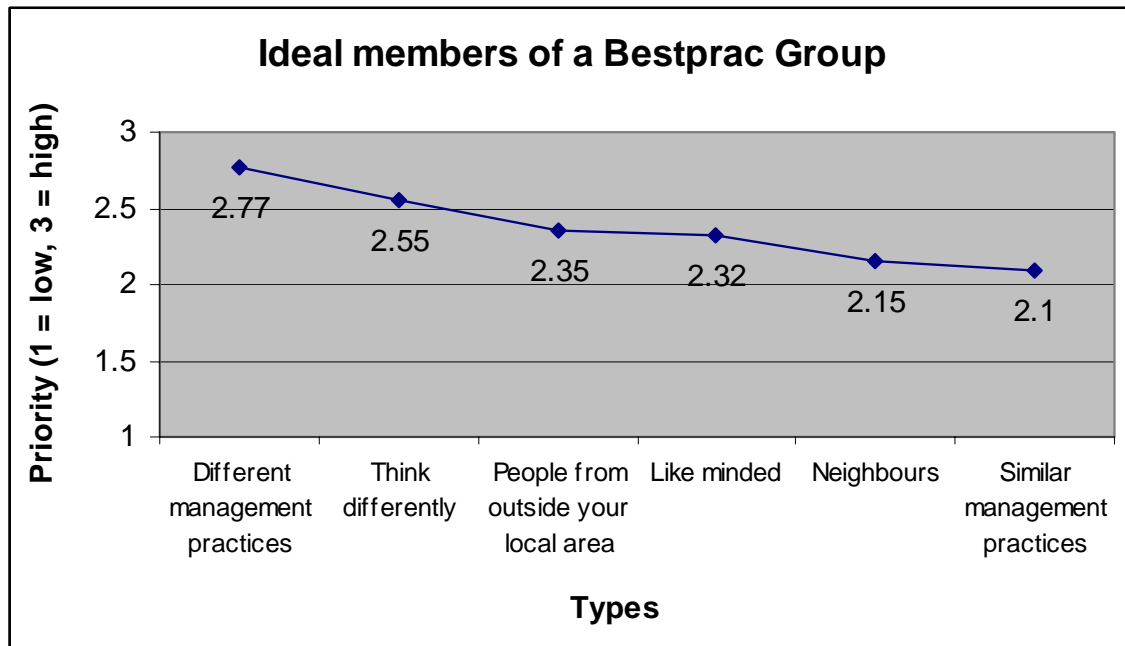
**Recommendation:** That the list of future activities suggested by participants in this evaluation be used as a reference point for facilitators and groups when planning meeting agendas.

## **Ideal Bestprac Members – acceptance of difference**

Participants were asked how important it was that a range of different types of people join their Bestprac group. They were asked to give each group a priority score of high, medium or low. Sixty participants responded to the question. Their scores were given a value to give an overall

indication of priority for the different types of people. The results are shown in the graph below. The closer the score comes to three, the higher the priority given by the participants.

Participants gave the top priority for people to join their Bestprac Groups to those with different management practices to themselves (score of 2.77). This was followed by those who think differently (score of 2.55).



The results indicate that the participants in Bestprac groups are comfortable with, and encourage difference in their members. This is a great indication of the level of trust and respect that has built within Bestprac groups, and also an indication of the participants' openness to new ideas.

Eleven of the participants (18%) explained that it was not so important whether the group members were direct neighbours, or from outside their local area, but rather whether they shared a similar geography and climatic situation. Without this commonality they found that it was hard to make comparisons between businesses and to find common topics of interest. It was also more difficult to address some of the environmental management issues such as pests, weeds and riparian management. Some of their comments are included below:

Very valuable to have neighbours, especially if sharing a problem, along a creek line or flood line, same thinking about weed control etc. It also gives you a lot more power to have a say or input  
 I'd add another category of people in a similar climate and environment as a high priority, as people from outside our immediate area would have different issues  
 It is important to have neighbours in a group because they have similar conditions  
 It is difficult to make comparisons with properties with different land types  
 They need to share a common geography to compare rainfall, etc  
 Having neighbours helps address the wild dog issue

One participant also commented that while it was important to work with people in a local area, it was also important to bring new ideas to the group. They commented that it is "good to have a facilitator who has worked in other areas as they provide a bridge".

Another participant also suggested a way to keep bringing new ideas into a Bestprac group.

You can exhaust your resource knowledge in your own local area. Need to look outside the square and bring new people in. Could have a format a bit like Executive link or Bestprac tours to cater for people to learn outside their comfort zone. Go and visit different sites. This would encourage interaction between groups. Trips to Darwin etc, visit other best practice properties around Australia. That would keep the forward members of the group going, and challenged and interested. They can bring that knowledge back through the group.

A further participant emphasised the value of having a mix of people who know each other and those who do not.

Two other groups we were involved in fizzled. Part of the reason was that it had too many locals. It could be beneficial to split them up a bit and to mix in with outsiders. Having all local people, you get the old attitude of "what does he know". People do not have all the preconceived ideas about someone they do not know. That's pretty important. I've discovered a lot about the local people in our group because of our involvement then I would have if we were the same local group. People from another area challenge you about your business. You are never a prophet in your own area.

One participant explained how new members are chosen by their group, and the importance of confidentiality.

It's important that you pick your group. You can't just have anyone joining, that can crush a group. You have to pick who you want in your group. For our group, the whole group has to be consulted, and 100% has to agree to have them in there. If you bring someone in who is a blabber mouth and doesn't respect personal finances. If you pick the wrong person and they break the confidence. Our group started with just a couple of people. It's good to have people from outside.

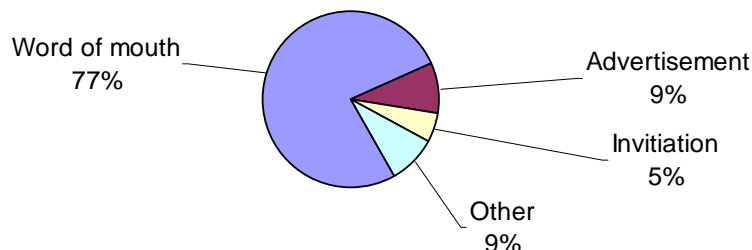
Re-iterating this comment, several participants explained that overall, it is not so important where someone comes from, or what management practices they have, but that "the most important thing of all is to have trust and confidence between group members". As another member commented, "it depends on the individuals because the group dynamics is the most fundamental component of Bestprac".

**Recommendation: That new groups be supported to have a mixture of members from a similar geographic area with a diversity of management practices. Having a reasonable number of members who do not know each other is also critical to create an open and challenging environment for participants.**

## **Methods to encourage new Bestprac members**

Participants were asked how they would encourage new people to be involved in Bestprac. Fifty-five participants responded to the question. By far the most common response was word of mouth (77%). These results are shown in the graph below. Example responses are included in the table below.

### Methods to encourage new Bestprac members



Theme and Percentage of Responses	Example responses
Word of mouth (77%)	<ul style="list-style-type: none"> <li>Tell them about the issues we have addressed and would like to address</li> <li>Get the participants to call them and encourage them. We got two new members by doing this</li> <li>Word of mouth, this is the only way</li> <li>Tell them what you do, how good it is. We haven't had any drop out of our group</li> <li>Word of mouth is best. Previously someone advertised in the Western Division Newsletter and only two people phoned about it. We held an information night and 15 people came, but only five people were semi-interested</li> <li>Talk to neighbours and sell the benefits</li> <li>Explaining what we do and how it has changed our thinking to running our business here</li> <li>Point out the financial benefits</li> <li>Show success stories and overall benefits</li> <li>We are proactively targeting other people to bring them with their new ideas into the group. We call them and talk to them</li> <li>The hard sell doesn't do the job. We just let people know what we are doing. Word of mouth, letting them know about the positives\</li> <li>I'd explain to them the opportunities to make a profit with profit probe, but I would not try to get new members until after the drought</li> </ul>
Advertise (9%)	<ul style="list-style-type: none"> <li>Rural journals. That's how we became involved</li> <li>The Land Newspaper</li> <li>Advertisements in papers and flyers</li> <li>Advertise through accountants or other organisations</li> <li>Bit more advertisement would not hurt. Could send out something in the mail to all the farmers in the district. There are only 7 of us in this area that are doing it. I do not know if people know it's available</li> </ul>
By invitation (5%)	<ul style="list-style-type: none"> <li>Invite neighbours and bring them along with you to a meeting</li> <li>Invite them along and show them how it operates</li> <li>Invite them along as a visitor and tell them what we get out of it</li> </ul>
Other Comments (9%)	<ul style="list-style-type: none"> <li>Group members need to know what they are trying to achieve so that when non-members ask what we are doing we can give them a good explanation. Maybe we need some guidelines or an example answer so that we are telling others the right thing</li> <li>I think it is a priority to get more people involved but if is going to cost \$3000 it will be difficult to get people to join, particularly in a drought</li> <li>By broadening the focus, making it more comprehensive then more people</li> </ul>

	<p>would be interested</p> <ul style="list-style-type: none"> <li>• Bestprac newsletters are good</li> <li>• Setting up tours to visit other Bestprac member's properties in other districts would attract people, and those who went would talk about it a lot back at home and so bring people in through word of mouth</li> </ul>
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Nine of the respondents made comments about the difficulties of bringing in new members to an already established group. Several of them also explained what they thought was an ideal sized group and how they would support other growers to start up a new group. Their comments are included below.

- Groups do not need to be too big, you lose the personal contact. We have 10 - 12 businesses and that's plenty big enough
- Not good for groups to be too big. I want to change the direction. Encourage them to start off in another region. We were a breakaway through a different region, promoted through pub talk.
- We do not want new members in our group because we already have confidentiality and rapport with each other. So we encourage interested people to form a new group and we offer to support them with joint meetings and to give them ideas on how to start off
- Currently there are around 14 members in our group and we would like to keep it to this size. We would encourage others to form their own group. It's terrific to look at your business, but important to go in together, build a relationship, difficult to add or remove people as you go along I would actually encourage them to form a new group as we have had difficulties with new members joining our group, but we are too advanced for them and they dropped out
- My only qualm is that having too many people could pull the group in too many different directions. As soon as you get a group to start it's difficult for new people to join in. They feel like they are behind.
- Start a new group and support them. Members of the older group supporting, mentoring them
- We do not want too many people, or it gets too big. Ideally 8 to 12 businesses in a group are ideal.

One participant also indicated that linking involvement in the Bestprac program with incentives available through the Catchment Management Authorities would make it more attractive for landholders to get involved. This comment was elaborated in the section on suggested improvements for Bestprac.

**Recommendation: That recruitment of new members should largely be done by word of mouth by existing members and group facilitators.**

This could be supported by giving members material (e.g. a brochure) that explains some of the broad principles and practices of Bestprac that they could pass on to acquaintances. This would also help ensure that non-members are hearing a consistent description of Bestprac. Facilitators could be encouraged to recruit new members through a recognition system or by financial reward.

**Recommendation: Encourage a group size of around ten businesses.**

## Participants' Comments

Participants were asked if they wished to make any further comments about Bestprac. All of these comments are included below:

Positive (29)

- Bestprac needs supporting and pushing and it needs subsidising. The coordinators need to be very well qualified and highly respected in their fields
- Bestprac encourages us to look at other ways of doing things and to stay in the industry. It actually gives us a focus on the business but from a point of view of stepping back from it and looking in. That has been our big benefit to step back and not to be so emotional. We get emotional when we come home. Also the support network is amazing. Once you start to divulge information and your level of commitment to each other comes higher
- Bestprac has been great for us in all aspects of our business
- Bestprac has been very good in general. We have picked up small things, particularly new information. We have really enjoyed it and we have a great coordinator
- Bestprac is a very useful tool that can benefit and increase profitability in a livestock enterprise
- Bestprac is exposing us to experts who we would not otherwise meet, and other successful producers
- Bestprac seems to be a lot about reinforcing ideas and beliefs that you already have and giving you the ability to follow them through
- Despite being super busy with the drought we always make time for Bestprac
- One of the most enjoyable things we do. No one wants to miss Bestprac. Even though we are on so many committees. That's really strange. It's really valuable that both partners are involved as women are running the business part of the enterprise, but it's usually the men that go to the courses
- Despite not being able to attend the meetings as they have clashed with other activities (shearing etc.) we have still kept in touch with the group and received all of their correspondence
- Due to the current climate in our area, confidence and morale are both low. With a reason for farmers to be positive about the future of our industries, the attitude will change
- The greatest thing is the social interaction. Would be good to have a similar survey when we have rain
- In our particular group, Bestprac has been a huge success, to all members. From better managing finances to direct marketing
- It is a great program. I hope it keeps getting funded. It is really worthwhile and boosts morale in these difficult times. We learn things
- It is a very good program. Of all the things the government has done for rural Australia, this by far has been the best thing they have done
- It's the best thing that we've done as a business. Really enjoy it and have gained a huge amount.
- It's a fantastic program
- It's a great organisation and we are very lucky to be part of a group
- It's a worthwhile program and would like to see it continue in the future
- It's an outstanding learning process that has taken our learning to a new level. My wife does it with me and we have thoroughly enjoyed it
- Our facilitator does an excellent job. The group is completely confident in him and looks forward to catching up with him
- So far we have found the program very good. We are very pleased with it and have found it quite helpful
- We anticipate that Bestprac will be very beneficial to us. A good coordinator is essential to keep things rolling and we have a good coordinator
- We have a special little group and we work well together
- We hope AWI finds a way to keep funding the program. It is very worthwhile
- We will get excited about Bestprac when we get some rain
- We have a terrific leader. That's our shining star. He is so involved in the group
- For the six years we've been involved we've changed from being ordinary to being profitable. To know what others do and how and how effective is, you can't put a dollar value on it

#### Negative (7)

- Our group does benchmarking and I find those a complete waste of time. It's the worst bit about it, because I do not think we need it. You go through hours of getting statistics together and you bore your soul with your group and then you never use the figures for the rest of the year. It would be alright if you used them. It has proven in our area that everyone's debt levels and incomes are really relevant to the season you are having unless someone else has another totally different enterprise. If there was more diversity in a group it would have more value



- One person has dropped out of the group, but I'm not sure of the reasons. I think they were interested in cross bred lambs and organic information and I feel that they dropped out because it wasn't concentrating on that. We haven't approached the facilitator yet, but are thinking of doing that
- This Bestprac group is made up of grazing for profit graduates and the RCS way of thinking. Not for me, thank you!
- When it was run well it was most enjoyable
- We started Bestprac in the beginning of the worst drought and it has continued. If there had been better conditions then we would have had more positive outcomes from Bestprac. In some ways there has been a negative influence in people's mental health in the group because it can draw out depression. When people tell their stories about what they have tried it is not always about pathways to success
- We did have some others who wanted to join our group. They were outside our local area. The others in the group didn't want them to join. Bit clicky. Need people to challenge our thinking

## ***Non Participant Interviews***

Six wool growers not involved in Bestprac were interviewed over the telephone. Four were male, and two female. All were from South Australia and they were selected for interviewing by the national Bestprac coordinator.

Additionally, five other wool growers not involved in Bestprac were interviewed. They were selected randomly from the national Bestprac database as part of the structured interviews of Bestprac participants. When it was discovered that they were not involved in Bestprac, the evaluator asked them the reasons why. All five were from New South Wales and their responses have been included in the final section below.

The six non-participants from South Australia had all heard of Bestprac prior to the interview. When asked how they had heard about Bestprac, all responded from friends, locals or neighbours. One had also heard of Bestprac from “people from the Clare group ringing us”.

## **Perceptions of Bestprac**

Non-participants were asked about their perceptions about Bestprac. Their comments included:

- Bestprac covers the same thing as the business planning program that we have done
- I heard from neighbours that Bestprac meetings were not very successful. People don't think that it's very effective
- Bestprac does financial benchmarking in order to improve productivity. Some people I know think it is a good program
- I know about the facilitator and the benchmarking aspects of Bestprac. One person I spoke to said it was "not a bad show" and you can "get good stuff" from Bestprac. Another also spoke really highly of it and said it was very useful
- Know that it is a group of local producers who get together
- Probably a good thing but not appropriate for my situation

## **Reasons they are not involved**

The reasons given for not being involved in Bestprac were quite diverse. The first group of comments are from those who indicated they would be interested in being involved, but circumstances prevented them from doing so. The second group of comments are from those who indicated they would not be interested in joining Bestprac.

- I'm too busy and have too much on - not enough time to get to all the meetings
- Time is the main reason. I am juggling work and a young family. Also our property is too remote and others I know who are members all live near each other
- I don't own this property. I manage it on behalf of Adelaide University and a management company (run from Clare). We operate under a five yearly business plan and account for our activities according to this. There are three other properties which are in the same boat. The managers from

- the company don't have the time to attend themselves, and they believe that the property managers don't need to participate in Bestprac
- I don't own the land. I just work for my family at the moment so it doesn't really apply to me
- I do not have time and I feel that Bestprac is a bit exclusionary (like a "masonic lodge"). I feel that groups, and in particular the coordinators don't encourage participation from non-Bestprac members. Bestprac activities include field days and trips to meat works and feed lots, for instance, but they are only open to members. If they were open to everyone, more people might become interested in Bestprac. The way it is run at present, Bestprac is a "closed shop"
- I already did a business planning program about three years ago. I did this to receive a South Australian government business planning grant

### **Will Bestprac help them achieve their goals?**

Non-participants were asked whether they thought that a program like Bestprac would help them achieve their goals for their enterprises. Four respondents indicated that they did not think Bestprac would help them achieve their goals. Some of the reasons given included "I prefer to work out things for myself" and "not really because we already operate according to a business plan".

Two non-participants indicated that Bestprac might help them achieve their business goals. One of them commented "when circumstances change and I have more time".

### **Changes required to make Bestprac attractive enough to participate**

Non-participants were asked what would need to change about Bestprac for it to be attractive enough for them to become involved. Five indicated that no change would make it attractive enough. However one participant indicated that if Bestprac was more inclusive, then he would become involved. There comments are included below:

- Nothing wrong with the program - just doesn't suit my situation
- Nothing wrong with the program - just not enough time
- No problem with the program itself
- Nothing could make it more attractive really. Still not enough time and too difficult to make it to all the meetings
- Nothing, but I think more funding should be directed at marketing at an industry level. I have been doing all the right things - am contamination free and have low micron, but received 12% less for wool compared with last year
- Needs to open up and be more inclusive

### **Staying informed**

Non-participants were asked if they wished to be informed of future Bestprac activities or updates, and if so how. Three participants responded negatively, one explaining that he could stay informed through talking to his neighbours. Three responded positively and made the following comments:

- Yes, newsletters via e-mail
- Yes, newsletters, mail, direct phone contact
- If I owned the land, then I would like to stay informed through a newsletter

## **Feedback from other non-participants**

As mentioned earlier, five other wool growers not involved in Bestprac were interviewed. These non-participants were asked why they were not involved in Bestprac. Their comments highlight a range of factors that prevent producers becoming involved in Bestprac. These include reasons such as: time, open-mindedness, types of support being looked for, perceptions of Bestprac, and low motivational levels as a consequence of the drought.

- I was asked to attend Bestprac, but couldn't make the first couple of meetings because they clashed with other activities. I then didn't bother because I thought I'd missed too many meetings and it wouldn't be worth the effort
- I have never heard of Bestprac and do not wish to be involved. I am the daughter in law in this family, and while the family has done courses like mulesing etc in the past, they typically have very set practices and don't get involved in group activities and don't tend to change their management practices
- A couple of years ago I was interested in joining Bestprac and attended a public meeting to learn about it. I was initially interested but later decided I wasn't. The reason was that I was looking for a group/activity that would look at the whole farm operations not just focus on wool and sheep
- Looking at what is best practice has been done to death, but getting producers together is a good idea. The Australian Wool Innovation runs another program called "On track" that I am a part of. It is through the Darcy Kennedy Group
- My husband was initially quite interested in getting involved, but he hasn't got organised to do it. When the drought kicked in, he lost interest in everything. He will not make the time to do it. The meetings involve a fair bit of travel and cost to get there. Going out always has additional costs. Mostly the reason why he hasn't stayed involved is because he has become despondent and doesn't get involved in anything anymore. It would have been good for him to go. He might feel a bit uncomfortable because the others in the group are operating on a much large scale than he is on his property

## **Feedback from participants as to why more people are not involved in Bestprac**

Additionally, two of the Bestprac participants interviewed made a comment about why more growers are not involved in Bestprac. Their comments are included below:

- Some people have dropped out of our group. It was too difficult for them to keep up with the technology and the work load. Benchmarking takes a lot of work. We gave one business a hand, but their computing skills let them down. Bestprac could offer more support for new people joining the course in this area [computer skills – e.g. Excel programs]
- Some growers think they are already doing best practice. Initially the leaders come along to these programs, and we are hoping that through word of mouth some of the others will start to follow. We should be aiming these programs at the middle 70%, not the top 10% as they will already be early adopters

## References

Patton, M Q. 1986, *Utilization-Focussed Evaluation*, Sage Publications, Newbury Park, California.

Roberts, K. 2001, *Annual Impact Evaluation – Bestprac, 2001*. Rural Extension Centre, University of Queensland, St Lucia.

# Appendix

## Questionnaire for Bestprac Participants

### Preamble

*I'm ... from Roberts Evaluation. We have been commissioned by the company, Australian Wool Innovation Limited to review the Bestprac Program. The AWI considers it important to review the program so they can continue to make improvements to how it is delivered. We will be speaking with approximately 60 wool growers from around Australia. Given your involvement with Bestprac, we would like to gather your thoughts about the program, what worked well, and what could be improved.*

*Would you like me to fax/email the questions, or ask them straight away?*

*We respect the confidentiality of your views. To protect this, our data will not be reported against individual names or properties, but will instead be collated to provide an overall response across all producers interviewed.*

Name of the Bestprac Group you are involved in:

Interviewee's demographics:

a. Gender

b. Age range

20 – 29	30 – 39	40 – 49	50 - 59	60 – 69	70 +
A	B	C	D	E	F

c. Enterprise mix

1. How many years have you been involved in Bestprac?

7 years	6	5	4	3	2	1 yr or less
since 1998	since 1999	since 2000	since 2001	since 2002	since 2003	since 2004

2. How useful has Bestprac been for you?

A Very Useful	B Sometimes useful, sometimes not	C Not useful
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3. What three things have you found most useful about Bestprac?

4. When you think of the specific *activities* you have been involved in with your Bestprac group, which three stand out as most memorable?

Activity	Usefulness (score out of 10) (1 = not useful, 10 = very useful)	Comment
1		
2		
3		

5. What can be improved about Bestprac?
6. In *all* the time you have been a member of a Bestprac group, what is the most important thing you *learnt* that helped you manage your enterprise?
7. Through Bestprac, you would have discussed profitability, well being, the environment and the future of your sheep and wool enterprise. Has your *thinking* about these topics changed a lot, a little or not at all? How has your thinking changed?

	A lot (1)	A little (2)	None (3)	How?
a. Profitability				
b. Well being				
c. The environment				
d. Your future in the sheep and wool industry				
e. What you can achieve				

8. What *practices* have you changed in your business as a result of being involved in Bestprac? Please quantify where possible.
9. For each of the changes you nominated above, what has been the *impact* (positive or negative) of the change (for example, estimated \$ value, production, personal confidence)?
10. Have you experienced any *unintended benefits* from your involvement in Bestprac? For example, did you gain something out of Bestprac that surprised you?
11. How satisfied are you that Bestprac represents value for money?

a. Very satisfied	b. Somewhat satisfied	c. Somewhat dissatisfied	d. Very dissatisfied
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12. If Bestprac was no longer subsidised, the current level of service you receive would cost \$3,000 per business for annual subscription.
- Would you be prepared to pay this amount?
  - If not, how much would you be prepared to pay?
13. What future activities would you like to undertake with Bestprac?

14. In your opinion, how important is it that the following types of people join your Bestprac group?

	High priority (1)	Medium (2)	Low (3)	Comments
a. Neighbours				
b. People from outside your local area				
c. People with similar management practices to yourself				
d. People with different management practices to yourself				
e. People of like mind				
f. People who think differently to you				

15. How would you encourage new people to be involved in Bestprac?

16. Do you have any other comments you would like to make about Bestprac?



## ***Questionnaire for Bestprac Individual Case Studies***

### **QUESTIONS**

#### **Setting the Scene**

The family and the business

- Who is involved in the business (children, staff etc.)?
- About the people: Age ranges, education and skills
- How long have you been in the area?
- Enterprise mix – is this mix long term or a trial?
- What are the family's goals/aspirations for the business?

Bestprac

- When did Bestprac come to this region?
- How did you get involved in the Bestprac group?
- How long have you been involved in Bestprac?
- What appeals to you about Bestprac?
- What have you not enjoyed about Bestprac?

**Focus Area 1. What difference** has Bestprac made to profit, wellbeing, and the environment on their property? By what % has it changed for the better or the worse because of Bestprac?

- What activities have you done in your Bestprac group that have contributed to your profit, wellbeing and the condition of the environment on your property?
- What has been the impact of these activities on you and your family? For example, how have the activities impacted on your:
  - Knowledge
  - Attitude
  - Skills
  - Aspirations

Please give examples of the types of impact and a measure of this impact on a scale of 1 – 10.

- Because of these activities, what changes have you made on farm?

From the changes you have made, what impact have you observed

- Financial
  - How do you measure financial impact?
  - What has been the financial impact (please quantify with a \$ value or a % indication).
- Environment<sup>2</sup>
  - What does the environment mean to you?
  - What aspects of the environment do you monitor?
  - What changes have you observed in these aspects as a result of the changed management you have implemented through Bestprac?
  - Overall what % change to these aspects has Bestprac made to your property? OR what has been the extent of the change on a scale of 1 – 10?
- Wellbeing
  - What has been the impact of Bestprac on you and your families wellbeing? For example, how has it impacted on the following:
    - Motivation
    - Confidence
    - Happiness
    - Health
  - Overall what % change has Bestprac made to these aspects? OR what has been the extent of the change on a scale of 1 – 10?

Which of these impacts has been the most significant for you and why?

<b>Focus Area 2. Unintended Benefits</b>
--

- What were you hoping to get out of Bestprac when you first joined?
- Has this changed?
- Have you experienced any unintended effects from being involved in Bestprac?

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<sup>2</sup> Environment examples: Ground cover, Integration of environmental issues into on-farm decision-making (proportion of on-farm decisions per annum which took environmental factors into account), or incorporation into business plan, native vegetation (% of property under native vegetation, change in quality of native vegetation).

**Focus Area 3. How** has Bestprac facilitated on farm change in relation to profit, wellbeing and the environment?

For the changes you identified in the previous question, please consider the following:

Steps	Profit	Wellbeing	Environment
What were the steps involved in making those changes?			
What influenced you to make those changes?			
What was the role of Bestprac in your decision making process? (E.g. what was the role of the group, the role of the facilitator etc?)			
Over what time period			

**Focus Area 4. How should** a Bestprac group operate to best improve its members' profit, wellbeing and environment?

- How does your group currently operate to improve its member's profit, wellbeing and the environment? (# meetings, how often, who organises them, are new people allowed to join, are they inducted etc.)
- Can you describe a typical meeting – i.e. how much time is social etc?
- What do you enjoy about the way your group operates?
- What would need to change to help your group become even more successful at doing this?
- If you could set up an ideal group from scratch, how should it operate?
- What are some things that a group should avoid doing based on your experiences?

**Focus Area 5. Interaction between groups**

- What interaction does your group have with other Bestprac groups?
- What are some of the different ways that groups *can* interact?
- How does this interaction between groups help you achieve better profit, wellbeing and a better environment?

- What would you change about the interaction so that it plays a greater role in helping you achieve profit, wellbeing and a better environment?
- What support is needed for this to occur?

<b>Focus Area 6. What further support/engagement do participants want from Bestprac?</b>
--

- What are your next steps with Bestprac?
- What further support would you like to receive from Bestprac?
- Are there any other comments that you would like to make about Bestprac?

## ***Questionnaire for wool growers not involved in Bestprac***

*Hi, my name is ... I work for Roberts Evaluation, and we have been asked to do a review of the Bestprac program on behalf of the Australian Wool Innovation Limited.*

*As part of this review, we have been asked to talk to producers who are not involved in the program to find out the reasons why they are not involved, and how Bestprac could be changed to become a more suitable program.*

*I have been given your name by a local Bestprac facilitator, and would like to ask your thoughts about what Bestprac needs to do to increase pastoralists involvement in the project.*

1. Have you heard of Bestprac?

*If so...*

- a. How?
- b. What are your perceptions about Bestprac?
- c. What are some of the goals for your business for the next couple of years?
- d. Do you think that joining a group such as Bestprac could help you achieve some of these goals?
- e. What would need to change to make Bestprac attractive enough for you to participate?
- f. Do you wish to stay informed of future Bestprac activities/updates?
- g. If so, how (newsletter, email etc) and how often?

*If they haven't heard of Bestprac*

*Explanation: Bestprac is a producer group based program that supports rangeland wool and meat producers to identify on-farm projects that potentially are going to improve profit, the environment and producers' wellbeing. The groups work with a facilitator to benchmark their businesses to identify strengths, weaknesses, opportunities and threats. The group then designs a skills training program to ensure each group member has the skills and confidence to implement their project or plan. This skills training program could include field trips, on farm visits trials, workshops or seminars with specialists. Several hundred producers are currently members of Bestprac groups in South Australia, New South Wales, Queensland and Western Australia.*

2. What are some of the goals for your business for the next couple of years?
3. Do you think that joining a group such as Bestprac could help you achieve some of these goals?
4. Do you wish to stay informed of future Bestprac activities/updates?
5. If so, how (newsletter, email etc) and how often?

## ***Questionnaire for Bestprac Group Case Study***

### QUESTIONS

**Focus Area 1. How** has the group **influenced decision making** on the member's properties?

- What significant change/s have you made to your businesses as a result of being involved in this Bestprac group?
- What role did this Bestprac group play in influencing your decision to make these changes?

**Focus Area 2. How should** a Bestprac group operate to best improve its members' profit, wellbeing and environment?

- If you could set up an ideal group from scratch, how should it operate?
- How does this compare to what you do now?

**Focus Area 3. Interaction between groups**

- What do you think of the idea of having interaction between Bestprac groups?
- What interaction does your group have with other Bestprac groups?
- If your group does have interaction with other groups, how does this interaction help you achieve greater profit, wellbeing and a better environment?
- What would you change about the interaction so that it plays a greater role in helping you achieve profit, wellbeing and a better environment?

**Focus Area 4. What further support/engagement do participants want from Bestprac?**

- What further support would you like to receive from Bestprac?
- Are there any other comments that you would like to make about Bestprac?

### 9.3 Bestprac Evaluation (RMCG)

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**Rural Directions Pty Ltd**

## **Bestprac Evaluation**

*Final Report*

**19 February 2007**



**RMCG**

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## Executive Summary

Bestpac is an extremely valuable extension program for arid zone wool producers. It is of value to both its participants and other extension and triple bottom line programs that can learn from it.

Using a range of methods, this evaluation canvassed the opinions of more than 60 active participants. It also included 50 interviews with a range of program stakeholders as well as participant observation of two case study groups.

The findings indicate that the program has an exceptionally high degree of customer satisfaction. The self-directed, facilitated, small group format is key to the success of Bestprac groups. Implementation of this delivery model by facilitators is generally of a high standard.

Participants reported especially benefiting from the social support and interaction the program's small group format offers them. This "intangible" element of Bestprac is not incidental to the program but underpins the behaviour changes needed to achieve practice change.

Participants reported that they benefit strongly from the content of the program. Based on a combination of objective and subjective information, the "Bestprac" approach they learn involves continually critiquing and improving their businesses. This approach allows them to subsequently identify and utilise the kind of technical information that many extension programs are limited to.

Reflective of the relevance of the Bestprac "way of thinking" that they learn and of the importance of the social element of the program, participants reported that group discussion is their favourite Bestprac activity. Only 28% of participants have been involved in an on-farm trial. 70% of participants have changed their attitude and 83% have changed their practices as a result of the program.

There is some important evidence of the positive outcomes of these practice changes on participants' triple bottom lines. Such evidence is limited by three things. First is the inherent difficulty in measuring such outcomes. Second is the effect of the drought that most participants have been experiencing during their involvement in Bestprac. Although the program has helped many participants cope with these conditions, the drought also means that many have not achieved their desired goals. Third, the program's outcomes are limited by its current funding, which is inadequate for the optimal performance of the program.

There are tensions within the program that limit the applicability of its formal objectives. These tensions, which are raised for discussion, are between:

- the program's self-directed delivery model and its promotion of pre-determined definitions of improvement (a 'campaign' extension approach);
- its self-directed delivery model and an exclusive focus on wool producers;
- its promotion of triple bottom line outcomes and its implicit prioritisation of the financial bottom line;
- its small group delivery model and the desire to extend it to a large number of producers.

Five possible priorities for the future of the program are outlined. The options are to focus on: increasing the sustainability of the existing program; improving the performance of the existing model; extending the reach of the current model; changing the activities or content of the current model; and/or changing the delivery model of the current model. Generally in line with suggestions from participants and facilitators, it is recommended that the focus is on improving the sustainability and performance of the existing model. As described below, work in improving the operational cohesiveness of the program is especially needed.

## Recommendations

We recommend that all of the suggestions for improvement offered by participants and others during the evaluation are explored further. In addition, we put forward the following.

### Ensure the sustainability of the existing program

*We recommend that a Very High priority is placed on ensuring the sustainability of the existing program.* Indeed, we recommend that, in light of the immense and unique value of Bestprac, securing the program's future is seen as of utmost importance. To achieve this, we specifically recommend that:

- That per group funding for Bestprac is increased to address the problem of the program's limited financial viability for facilitators and participants. Given the relatively small amount of funding currently provided by the program per business, there is significant scope for reasonably increasing the group budgets.
- That an area-specific subsidy is used to ensure that the most isolated groups are not unfairly disadvantaged by the greater costs involved in their meetings.
- That groups are encouraged to periodically discuss and reassess their direction and approach in order to ensure that they remain in tune with participants' changing circumstances, whether drought- or success- induced.

### Improve the performance of the existing program

*We recommend that a High priority is placed on this option.* In particular, we recommend:

- That the program works on developing greater program-level, inter-group cohesion to improve efficiencies, increase the consistency of performance across groups, and strengthen its internal brand identity. This would also raise the program's brand recognition among non-Bestprac members, leading to more interest among producers and potential research partners.
- That efficiencies in facilitation are optimised by enhancing the sharing of ideas, resources and events between facilitators. Funding is needed for more regular facilitator training. Such training could also incorporate monitoring the health of different Bestprac groups, including facilitator morale, in a systematic manner.
- That funding is increased for the running of meetings so that facilitators can more regularly get in technical speakers. This would allow them to focus more on the facilitation role, including as it may, providing the group with stronger direction on triple bottom line outcomes and Bestprac processes.
- That group participants are assisted in sharing their goals, direction and intended events (some of which would be open to other groups) for the year with other groups. This could be done on the internet.
- That an internet-based library of resources is established for facilitators and participants to contribute to and use, including summaries of relevant recent extension resources by the coordinator, facilitators or producers.
- That a group-to-group mentoring program is established so that learning can be intensively transferred between groups with similar challenges and interests. This could be developed following each group sharing their plans for the year.

- That the role of groups in making individual participant's accountable for their decisions and actions in light of their stated goals is encouraged and perhaps formalised to promote further practice change.
- That the idea of an annual Bestprac conference, where Bestprac groups and external speakers would present, is pursued following an assessment of the success of the upcoming Innovation in the Rangelands meeting in Hawker.
- That teleconferences or Skype technology is used to maintain the momentum of groups between and, where necessary, instead of face-to-face meetings.
- That the negative effect of the drought on some group's is recognised and that facilitators are encouraged to be flexible in their role. Where possible, efforts should be made to extend extra support to facilitators and participants in the most drought-afflicted areas. Extra-ordinary events, such as visits from other facilitators and/or participants, could be funded as part of this.

### **Expand the reach of the current program**

*We recommend that a Low priority is placed on this option.* In particular, we recommend:

- That efforts to increase the total effectiveness of the program focus on increasing the effectiveness of existing groups.
- That funding is provided to form new groups where interest currently exists if the existence of existing groups is not hampered.

### **Address the tension between the focus and delivery model of the existing program**

*We recommend that a High priority is placed on this option.* In particular, we recommend:

- That the appropriateness of the program's formal objectives is discussed in light of the program's strengths.
- That, with input from facilitators and participants, how to achieve the optimal balance between the program's producer-centredness (self-direction) and pre-determined outcomes is determined.
- That the different elements of the program that require either across group consistency or flexibility across the groups are identified.
- That facilitators are trained in the strength and direction of the guidance they are expected to provide to groups and in the other elements of the program that it is determined require a standard approach.
- That environmental and social outcomes are added to the implicit prioritisation of financial outcomes that currently exists in the program's teaching, including, for example, matching any requirement for financial benchmarking with the same in environmental and social terms.
- That the issue of the flexibility of the program's target audience is discussed in light of the reality of producers' increasingly flexible approaches to their enterprises.
- That agricultural producers who shift their enterprise mix away from wool are still welcome in the program because such producers are often business leaders and can contribute important general business lessons to their groups.
- That quantifications are removed from the formal objectives unless mechanisms for measuring and monitoring such changes are identified, agreed upon and implemented.

In summary, *we recommend that the program is strongly supported in the future.* It not only offers valuable intended and unintended benefits for rangeland participants but the balanced top-down/bottom-up way in which it does so and the objectives it tackles in the process offer important lessons for other extension and triple bottom line programs across Australia. For this reason, the findings, conclusions and recommendations outlined in this report deserve focused and sustained attention.

# 1 Introduction

Bestprac is an adult education program for wool pastoralists in one of the most isolated environments in Australia: the arid rangelands. Operating across four states, the innovative program involves a range of producers who come together to share and learn despite the great distances (and thus time, money and energy) involved. Based on facilitated small groups, the program has the following official objectives:

- By June 2007, Bestprac participants are applying management systems that lift individual profit, environment and wellbeing by 5%
- By June 2007, develop a confident proactive and capable innovation network involving up to 12% (approximately 300) specialist wool producing businesses and facilitators who exchange ideas, improvements, innovations and technologies for improving rural business profit, environment and wellbeing
- By June 2007, to have well-established and productive partnerships between the innovation network and research, development and innovation services within the supply chain.

This report describes the findings and conclusions of an evaluation of the program undertaken between November 2006 and January 2007. Based on a Bennett's hierarchy program logic, the evaluation brief stated that the purpose of this evaluation is to:

- provide insights into subtle changes in social, financial and environmental conditions, practice and knowledge, attitudes, skills and aspirations;
- understand why wool producers come and go from programs like Bestprac; and
- determine what mechanisms need to be put in place to have adoption of information and practice change from non participants.

In this evaluation, attention is especially focused on the question of the ultimate outcomes of the program (level 7 - "End results" - of Bennett's hierarchy) as well as its short term outcomes and outputs. In particular, this evaluation raises questions about:

1. whether the design of the program allows the program objectives to be met; and
2. whether the objectives are appropriate.

Because of the lack of a pre-program evaluation to assess changes against, or a control group of non-program participants, this evaluation does not constitute a conventional impact study. Rather, it provides an in-depth exploration of the program's strengths and challenges.

The following section lays out the methodology of the evaluation. The findings are then described and discussed, including insights into how the program is perceived, works, and is progressing towards the stated objectives. The conclusions section then outlines three major topics for discussion. The report finishes with recommendations about future priorities for the program.



## **2 Methodology**

### **2.1 General approach**

The evaluation is based on a range of methods that provide complementary sources of qualitative and quantitative data. Within the bounds of what was practical and cost-effective, an open-ended approach was generally taken to remain open to unexpected results and gather unprompted responses to questions. This approach engenders a stronger type of data than prompted responses and is more appropriate to the actual effects of a program, which is especially appropriate for programs in which there is a broad range of objectives and interest areas.

### **2.2 Methods**

#### **2.2.1 Interviews**

50 interviews with a range of stakeholders in the program were conducted:

- 20 active participants (who did not complete questionnaire & whose group was not visited)
- 10 ex-participants (some from groups that folded; some who left on their own)
- 9 facilitators
- 5 PAP (the 6<sup>th</sup> member could not be contacted)
- 6 Researchers

In most cases, interviews were conducted by phone and took between 10 and 60 minutes. Active and ex-participants were selected at random from a database provided by the program. The pool of potential active participant interviewees was restricted to those who, as far as we could tell, had not completed the questionnaire, and who we had not talked to as part of the participant observation process (discussed below). The ex-participants include those from groups that have folded and those who have left ongoing groups.

#### **2.2.2 Group meetings**

Two case study groups were visited at their Bestprac meetings, one from South Australia and one from NSW. These were chosen on the basis of the available time and budget for travel.

Each one day visit entailed:

- participant observation of the meeting and group
- focus group discussions (with 7 people in one group, 8 in the other)
- informal interviews with the participants and facilitators

In one case, a celebratory dinner was also attended to extend the opportunity for discussion with participants.

### **2.2.3 Questionnaire**

A 20 question questionnaire was administered to all active participants via email. Comprising a mix of closed and open-questions, this was delivered to participants via their group facilitators to increase its association with Bestprac and so improve the potential response rate. Completed questionnaires were returned straight to RMCG.

36 out of a possible 135 businesses completed the questionnaire, representing a response rate of 27%. Combined with the interviews and case study visits, this means that the opinions of approximately 60 participants, out of a possible 230 (26%), were canvassed in the evaluation.

Note that, combined with the low response rate, the necessary confidentiality clause of the questionnaire means that group-based differences (and thus state and facilitator based differences) were not able to be identified in the questionnaire results.

### **2.2.4 Document analysis**

Background documentation about the program was examined to provide further insight into the design, intentions, delivery model and prior problems of the program.

## 3 Results and discussion

### 3.1 Participation levels

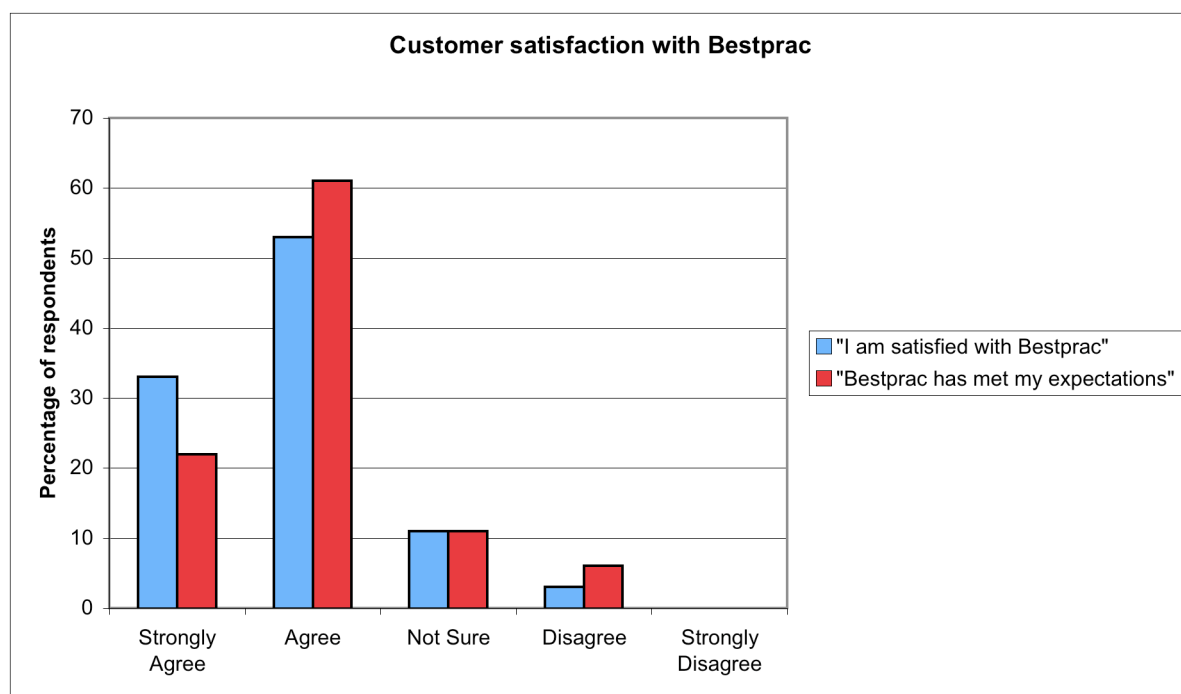
The current contact list suggests that there are approximately 230 producers and family members actively involved in Bestprac. This represents 135 businesses, with an average of 1.7 participants from each business. These participants are part of 22 Bestprac groups, giving an average of 10.5 participants or 6 businesses per group.

Facilitators estimated that the existence of approximately 60% of the current groups (13-14 groups) is presently secure. The remaining 40% of groups (8-9 groups) were estimated to be “at risk” of folding, often because of the probable loss of a critical number of participants.

Facilitators also estimated that there is producer interest in approximately 8 -11 new groups forming, notably in NSW and Queensland. The formation of these groups is reliant on funding.

### 3.2 Customer satisfaction

Participants surveyed in the evaluation reported a high degree of satisfaction with the program (Figure 1). As one producer commented in interview, Bestprac is ‘the best thing that ever happened to us farmers’ (Participant Interview). Many commented on how much they appreciate having such a high quality program accessible in and specific to the rangelands.

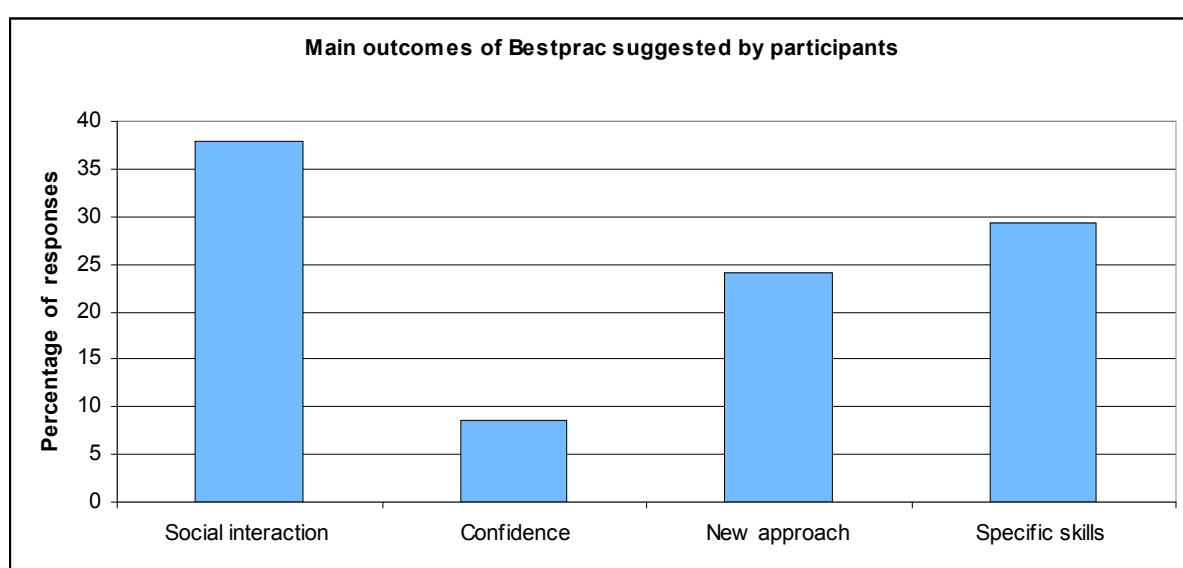


**Figure 1: Overall producer satisfaction with the program reported in the questionnaire**

### 3.3 Benefits of the program for individuals

#### 3.3.1 A social network

Interviews suggest that what the majority of producers primarily value about the program is the social interaction with other group members. In the questionnaire, various aspects of the social interaction involved in the groups were also rated as the main outcome participants receive from the program (Figure 2).



**Figure 2: Categories of producers' unprompted responses to the question of what the main outcome of the program has been for them in the questionnaire. (Note the responses are not mutually exclusive).**

As some of the producers commented in the questionnaire, they enjoy:

*'Contact with like-minded farmers, giving motivation to each other'*

*'Meeting like-minded farmers'*

*'Personally – social interaction with others... we miss seeing people...'*

*'Sharing a common goal'*

*'Interacting with people in similar situations with similar goals'*

*'Relationships and friendships'*

*'Moral support provided by the group during times of personal stress and disappointment'*

*'Understanding we are not alone in dealing with challenges when running our farm'*

*'Group exchange of ideas and companionship'*

*'Networking and peer support'*

*'A bigger network of professionals we wouldn't have had access to on our own'*

Similarly, an ex-participant commented that 'real live people sharing their experiences was the best thing' about being involved (Ex-Participant Interview). As a current participant explained in interview, although he interacted with the other group members before joining Bestprac, they were usually too busy and reserved to have the kind of frank and in-depth conversations they have at Bestprac (Participant Interview).

Others stated that the program:

*Has strengthened friendships, developed trust and created a strong group of friends to work thru some tricky and sometimes personal issues.*

*Has brought our industry together from being a group of individuals ready to prey on each other, to creating a network where we will one day collaborate and work as a cooperative.*

Numerous producers commented on the improved relationships they now enjoy with their other group members outside of Bestprac meetings. At "the meetings", there is an extension of the group process beyond the actual formal proceedings. As a facilitator explained, the main thing about the occasion of meeting as a group is the social element:

*The main thing is the social element. It's not that unique, but there is not much else happening in this area as there are very few formal groups, especially with the drought. Bestprac meetings offer some important relief. They turn up the night before and have dinner then have the meeting the next day and then dinner again. They have a really good time. It's great (Fac Int).*

Overall, the social interaction provided by Bestprac groups seems to offer producers the following benefits:

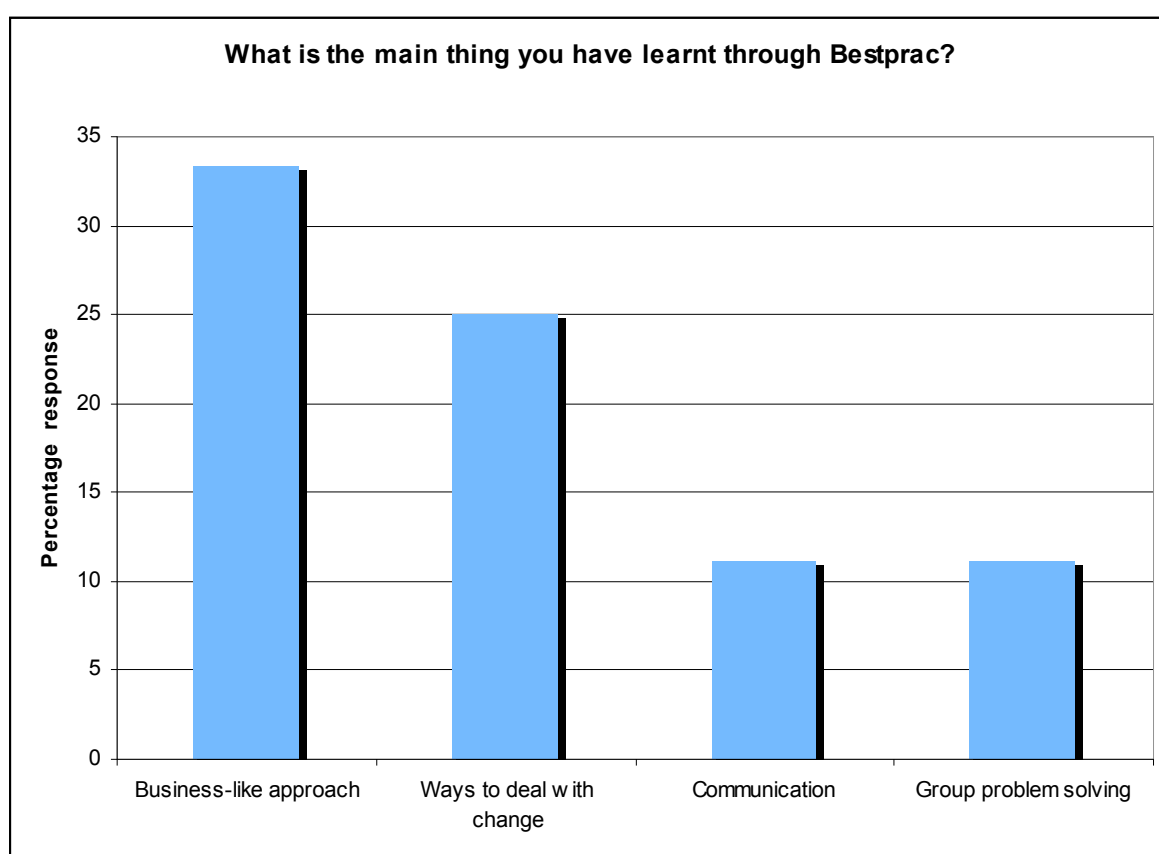
- A chance to relax and have fun
- A chance to share experiences and problems
- Friendship
- Moral support
- Inspiration and motivation to change
- A breadth of experience to learn from
- A sounding board for individuals' ideas
- Accountability for intended changes
- Practical support in implementing changes

As a facilitator summed it up:

*The group aspect is important because it offers ideas and a sounding board and also support. It validates and challenges and refines your thoughts, opening a wider circle of experience and knowledge to learn from. You can then feedback to the group how the new idea went, increasing their circle of knowledge and experience (Facilitator Interview).*

### 3.3.2 New skills, knowledge and approach

The social setting of Bestprac creates an effective learning environment. Bestprac participants reported that they have learnt a wide variety of new skills and information through the program. Like traditional extension programs, this learning covers specific technical production topics, such as stocking rates and nutrition management. Few such topics were mentioned across the board by producers because of the self-directed nature and therefore unique focus of each Bestprac group. Instead, the most common thing producers commented on learning in Bestprac was a new *approach* to their enterprises (Figure 3). In particular, they reported learning a 'business-like approach' and 'ways to deal with change'.



**Figure 3: A categorisation of producers' unprompted responses to the question 'What is the main thing you have learnt through Bestprac?'. Note the responses are not mutually exclusive.**

Bestprac is unique in explicitly teaching producers “to question what they do”. It introduces producers to an ongoing process of critiquing and improving their enterprises. That is:

*It helps them to work out why they are farming, where they want to be, and how they are going to get there... It increases their clarity of vision, their thirst for knowledge and their confidence to act (Facilitator Interview).*

Participants reported that they have learnt:

*‘[That we] need to look at what we’re doing and why, rather than doing what has always been done/ following old ways. [I am now] more likely to accept or consider change’.*

*‘To work out what our goals are and how to go about achieving them’.*

*‘To think outside the box more (to not be restricted by current practice)’*

*‘To broaden my mind... to push the traditional boundaries’*

*‘To get out of our own little worlds’.*

As an ex-participant put it, Bestprac ‘teaches you how to think’. The ‘business-like’ way of thinking that it specifically encourages is based on the need to objectively measure, evaluate, critique and plan your enterprise and each decision you make regarding it. As numerous producers commented, it involves facing some often unwelcome and unexpected facts about your enterprise.

Participant observation suggests that part of teaching producers to face up to the facts of *their* business is turning their gaze inwards. It is clear that in contrast to the normal extension approach of focusing producers on facts “out there” – which appear independent of a producer’s situation and are often difficult for the producer to relate to their situation - the Bestprac approach is to take a step back and first focus explicitly on the producer’s situation itself. The program philosophy is based on the idea that only by identifying the circumstances, assumptions and habits that have to date shaped each individual’s business decisions, can the weaknesses and needs of that business be made apparent. It is at this point that the relevance for each business of “external facts” about the latest research or best practice guidelines, for example, can be identified and acted upon.

The process of questioning why you do what you do raises associated questions about what you want to be doing and whether you are achieving it. That is, producers at least implicitly critique their current practice against a backdrop of their personal goals. These goals may or may not involve fulfilling externally generated recommendations about best practice. Part of the process of producers uncovering the assumptions and habits that have shaped their business is for them to identify what definition of success they have, at least implicitly, been aiming for. They need to assess whether this definition is one they truly believe in. 51% of questionnaire respondents reported that they have changed their ambitions as a result of the program. For example, one producer mentioned that Bestprac has helped him and his wife to identify that one of their goals is to increase the amount and quality of time they have together as a family. In addition to the normal financial indicators, their achievement of that time is now one of the indicators against which they assess their progress towards their personal definition of success.

One of the specific things producers learn through the program is an understanding of how their business compares to others in the district. This understanding – gained particularly through the benchmarking exercise but also through farm visits and discussions – helps to highlight both the strengths and weaknesses of individual businesses, in the context of their individual business aims. A producer commented that for her and her husband one happy consequence of being in the program is that they now know that ‘our farm business is operating quite well compared to others in the area’.

Bestprac group members help each other with the above process. Not only do they share the often challenging experience, they offer each other explicit advice. One facilitator noted that group members are often much better at working out what others in the group should do than what they themselves need to do, as they are not so close to the problem (Facilitator Interview). Receiving and giving advice to others is part of the learning that takes place in Bestprac, in combination with refining one’s awareness of how each others goals and situations differ and overlap.

As illustrated in Figure 3, a large part of what producers learn in Bestprac’s small group setting is group problem solving and communication skills (including *listening* skills). For some, this can include enhanced interaction with other members of their enterprise, such as spouses and children. As one producer commented, one of the main things he and his wife have learnt through attending the program together is a better understanding of each other and the ability to talk more openly. Another commented that ‘because we discuss farm problems, there is better communication at other times’.

The process of critique that producers learn in Bestprac encourages them, in turn, to seek out appropriate technical information and resources to inform their decisions. With the help of their facilitator, each Bestprac group pursues the specific technical topics they agree that they want to investigate. Being of pre-determined relevance to individuals’ enterprises, such information is often learnt in a “deeper” fashion than when the same information is encountered in other ways. A couple of facilitators mentioned that the extension topics that the groups cover are often ones that have been rejected by the producers before. One producer admitted, for example, that he had seen a certain pamphlet before but had thrown it in the bin.

The extension topics covered by Bestprac groups are usually innovative, focused on recent science and best practice. As discussed further below, learning science from someone directly involved in the latest research means that the information delivered is not only usually more memorable, but that is the most up to date thinking.

Finally, like producers’ businesses and lives, the specific topics covered in Bestprac are not restricted to strict production topics. As a producer remarked favourably in the questionnaire about Bestprac’s ‘realistic’ approach:

*‘Bestprac at the beginning seemed to be based on agriculture, but now it includes all aspects of management from farm to off-farm’.*

Although producers come together in Bestprac as wool producers, one of the strengths of the program is that it recognises the fact that wool production is only one part of producers’ enterprises and lives and needs to fit with changing priorities, just like every other element.



In this sense, the program role models the kind of realism that it encourages producers to adopt.

### 3.3.3 Enhanced confidence

Better understanding your business and its strengths and potential can be an important source of confidence. Combined with gaining specific new skills and being supported by a group, producers gain confidence in a number of ways through Bestprac. Nearly 70% of questionnaire respondents reported that they have changed their attitude as a result of the program and 30% specified that they feel more confident. Different components of this shift in attitude include:

*'[Bestprac has] made me more outgoing, ready to take on challenges and leadership roles'*

*'[I now have the] confidence to access information to make better business decisions'*

*'[Bestprac] makes success seem more attainable'*

A facilitator described the existence and logic of a positive outlook among Bestprac producers:

*The evidence that the program works is the fact that these producers are still focused and passionate about what they do, despite the drought. They are self-educating and improving and diversifying in creative and profitable ways. They are more knowledgeable about their economic factors and the worth of their own businesses, including more than the money in the bank, but also assets and off farm investments... They are also technically better farmers, more knowledgeable about grazing and nutrition management, for example (Facilitator Interview).*

Involved in producers' positive attitudinal change towards the future is a shift in their ambitions. If producers feel able to achieve more, they often also aim for more. For many producers, it seems new or "latent" hopes are given life in the program by being thought through, expressed and pursued.

These hopes and ambitions apply both to individual producers and to the Bestprac group as a whole. Highlighting again the importance of the small group element of the program, a producer commented in interview:

*Seeing the others [in the group] change gave us the confidence to change too... We changed as a group. We can do more as a group than as individuals (Participant Interview).*

By sharing confidence and ambitions, Bestprac groups develop a stronger group identity. This pattern can also then extend to producers' identification with the pastoral and agricultural industry as a whole, increasing their feeling of pride in being an agricultural producer. As a producer noted, through Bestprac he and his wife 'are more determined than ever to stay in the industry and keep growing'.

### 3.3.4 New practices

Confidence is strongly reinforced by successful practice change, and vice versa. A strong majority (83%) of the questionnaire respondents reported having implemented changes in practice as a result of the program. Of the remainder, many were newer members who instead indicated their intention to implement practice change in the future.

Interviews with producers suggested that there may be differences in the way producers interpreted the phrase 'practice change'. While some limited it to on-ground changes in farming practice or direction, some interpreted it broadly to include practices like the record keeping necessary for benchmarking or the improved communication often demanded of producers from their first meeting onward. Even a new way of thinking is a form of practice change. It is likely that if a broader definition of the phrase had been specified, the number of respondents in the questionnaire who indicated they have changed their practice would have been significantly higher.

Producers listed numerous types of practice change they have implemented, including:

- Improved business monitoring, analysis and planning
- Improved communication
- Improved stock and pasture management, including increased monitoring of stock and pasture condition, a shift to forage crops and decisions about supplementary feeding
- Changes to the timing of lambing, shearing and sales
- Changes to the breed of sheep
- Conversion to organic production
- Improved marketing
- Increased off-farm investment

In line with the 'business-like approach' producers learn through Bestprac, the main practice change reported is 'improved business monitoring, analysis and planning'. This includes keeping better records and researching each business decision, resulting in more informed and sensible decisions (Participant Interview).

In line, also, with the role of group work in the program, some of the most significant practice changes that have arisen through the program have occurred at a group level, with some groups collectively pursuing organic status or EnviroFund funding for NRM work, for example, and others helping each other with shared tasks like supplementary feeding.

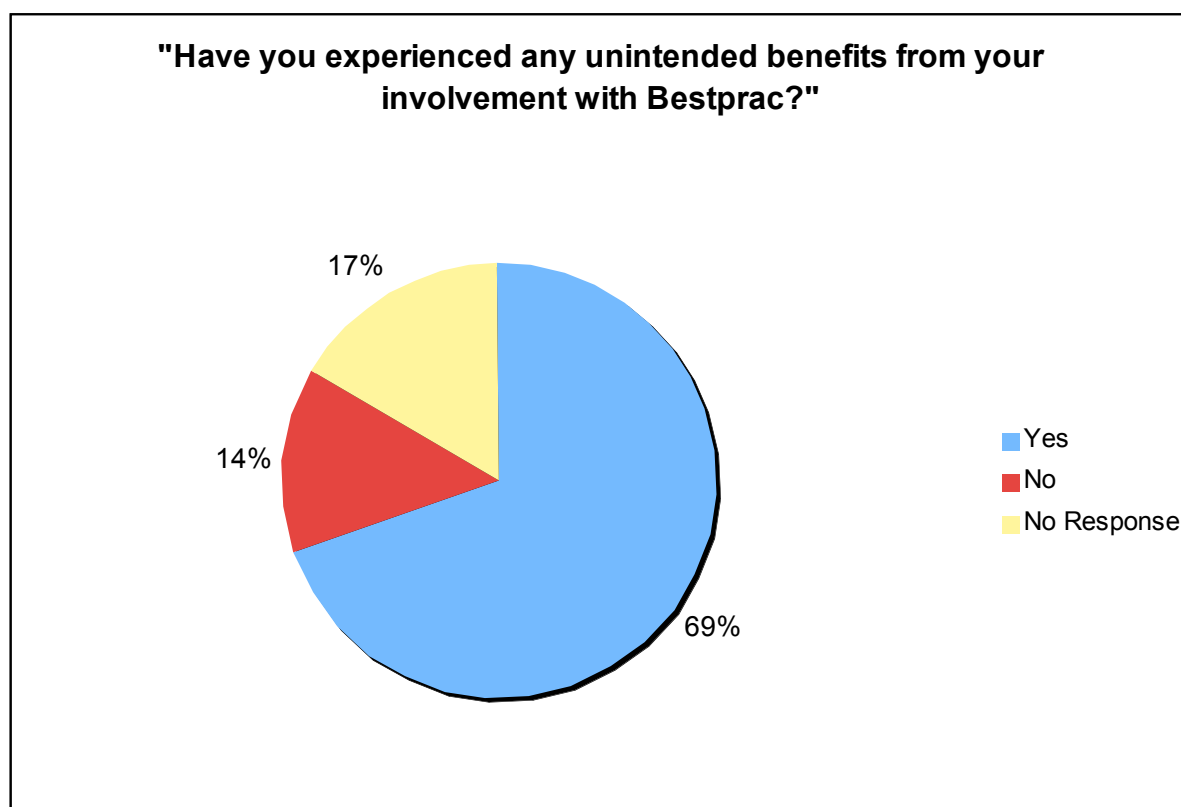
The group character of the program strengthens the likelihood and effectiveness of practice changes occurring, as any changes are reinforced as a group 'norm'. This, in turn, helps to reinforce the behaviour change as a habit. The formation of new habits through Bestprac is illustrated in a comment by an ex-participant (whose group has folded). After many years of analysing his business using the problem solving and decision making tools he learnt in Bestprac, he commented that now he:

*...doesn't even have to try to do it – it has just changed completely the way I operate. Doesn't matter what I do now, I am always thinking two steps ahead, looking forwards to seeing what the change might be, what the outcome might be. I never do anything*

*now without mapping out what the impact of the change will be on the rest of the system (Ex-Participant interview).*

### 3.3.5 Unintended benefits and changes

One of the characteristics of Bestprac noted by facilitators and producers alike is that producers often get more out of the program than they expected. Bestprac's generation of significant, unexpected or 'unintended' benefits is borne out by the results of the questionnaire, with nearly 70% of respondents reporting that they have experienced such benefits through their involvement in the program (Figure 4).



**Figure 4: Proportion of questionnaire respondents reporting that they experienced 'unintended benefits' stemming from Bestprac.**

The unexpected benefits that Bestprac provides for participants cover various aspects of the program described in the preceding sections. In general, these 'unexpected' benefits are those elements of the program that differentiate it most strongly from what is offered by traditional – i.e. 'expected' – extension programs.

The two main things about Bestprac that producers (who are usually cultured by their prior experience of other extension programs) are often surprised by are:

- the relevance and profoundness of the approach they learn to take to their business; and
- the quality and importance of the interaction with other group members

In addition, a number of producers and ex-participants also mentioned enjoying: the improved communication and relationship they have been able to develop with other

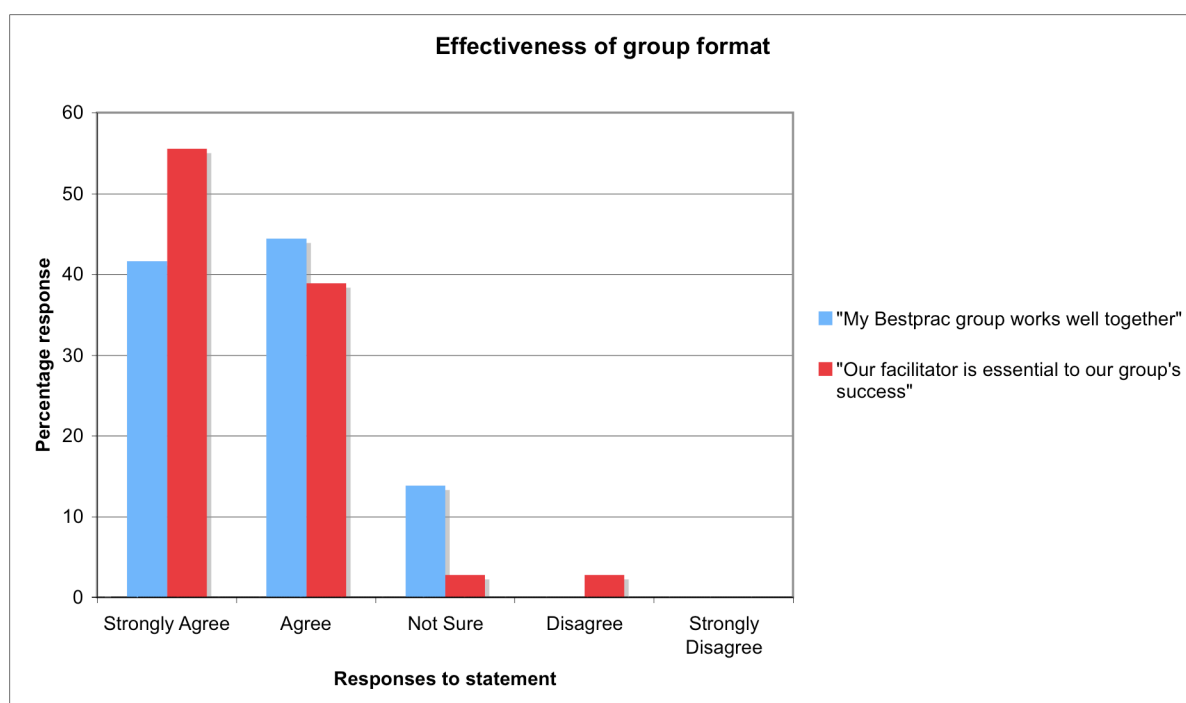
members of their enterprise; receiving leadership opportunities such as speaking engagements through the Bestprac network; and the development of ongoing business contacts, including group marketing opportunities.

### 3.4 Exploring aspects of the delivery model

#### 3.4.1 The facilitated small group format

Section 3.2 above reports on the popularity of the small group delivery model of Bestprac with producers. In this section, we explore the delivery model in more detail to try to identify its critical success factors and challenges.

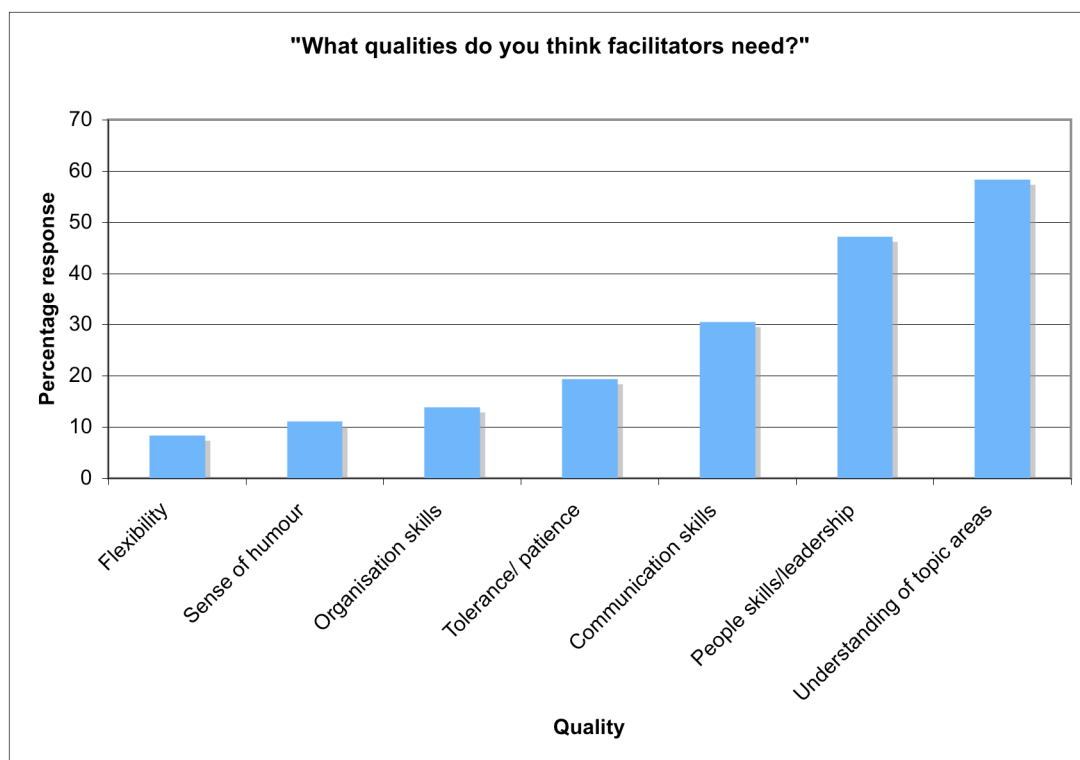
One of the most obvious things about the small group format of Bestprac is the importance of having a good facilitator. Figure 5 illustrates the correlation between the perceived effectiveness of groups and importance of the facilitator.



**Figure 5: Questionnaire responses to questions about the perceived success of Bestprac groups and the importance of facilitators to this success.**

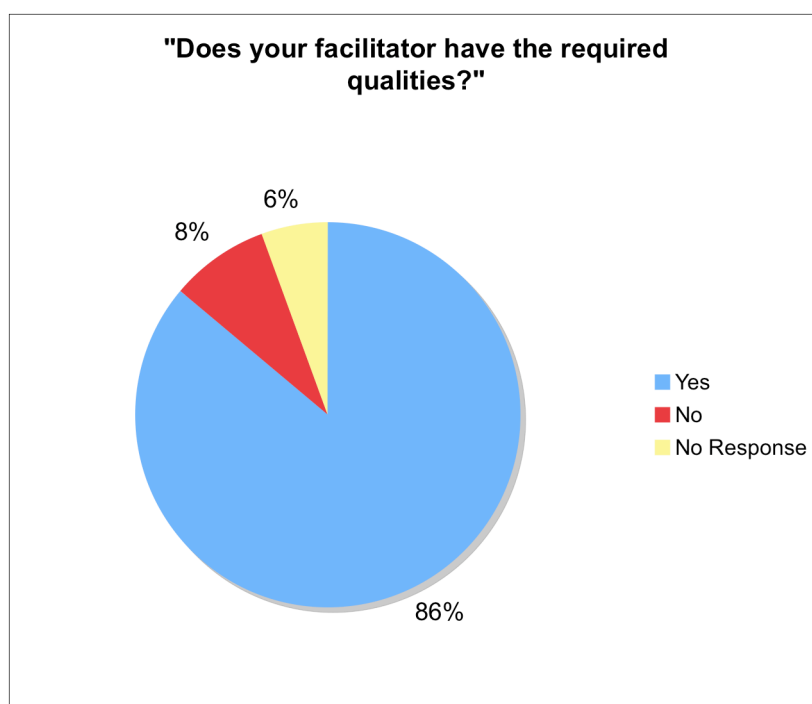
Producers were asked what qualities they think facilitators need. Nearly 70% of the responses referred to different types of 'facilitation' skill: flexibility; sense of humour; organisational capability (including reliability); tolerance and patience; communication skills; and people and leadership skills (Figure 6). The other 30% of the responses referred to a facilitators' understanding of the topic areas covered in the program, including traditional technical extension expertise.

The emphasis on facilitation relative to technical knowledge highlights the difference between Bestprac and other extension activities. It also highlights the challenge that being a Bestprac facilitator involves. As many interviewees mentioned, it takes 'a very special person' (Participant Interview) to bring all the necessary qualities together.



**Figure 6: The main qualities producers reported as necessary in an effective facilitator.**

Given the challenge being a Bestprac facilitator involves, it is notable that 86% of participants reported in the questionnaire that their facilitator has what they consider to be the right qualities (Figure 7).



**Figure 7: Proportion of producers who reported in the questionnaire that their facilitator has the necessary qualities.**

The facilitators themselves recognise the range of skills they require and, particularly, how their role differs from normal extension. As one stated:

*The secret is to be a good questioner and good listener – it is totally different from a technical advisor role. You need just enough technical understanding to know what the next question is. The skills required are more like those of a lawyer (Facilitator Interview).*

Another facilitator from one of the most severely drought affected areas commented:

*The main role is to be a motivator – to keep them enthused and passionate during difficult times (Facilitator Interview).*

Although the balance is on facilitation skills, a background of technical understanding remains important:

*I would struggle to keep up with the conversation if I didn't have a scientific advisor role (Facilitator Interview).*

Yet, given the groups' ability to pursue a wide variety of specific topics, it is almost impossible for facilitators to be technically expert in all areas. It is for this reason that facilitators can come from a range of background areas. Overall, as one facilitator summed it up, the main thing is that 'facilitators have to be ready to face anything' (Facilitator Interview).

Facilitators need the range of skills mentioned above for the diverse components of their job. The three main components are:

- Administration of group membership and organisation of meetings
- Creation and maintenance of a healthy group dynamic
- Maintaining the focus and pace of group learning

In interview, facilitators discussed the importance of all of these roles. One mentioned that although it is the least exciting element of the job:

*The admin side of it is very important as these are busy people and they would not meet otherwise. We need to keep them on track (Facilitator Interview).*

Others commented on the importance of ensuring a healthy group dynamic. This includes establishing from the outset the ground rules for the group in terms of communication, respect for others' opinions, confidentiality and commitment. It includes encouraging producers to be more open with themselves and their peers than most are used to. The aim is to create the 'unique communication environment – intimate and yet professional, comfortable and yet focused' (Facilitator Interview) that allows Bestprac members to experience deep and personal learning.

The roles a facilitator performs shift during the development of a group. One of the most challenging periods is in the early stages of a group as the facilitator has to introduce and win acceptance on the whole Bestprac approach. A producer commented that:

*Good facilitation is especially essential at the start [of a group forming] to get people through the uncomfortable start-up stage in one piece...(Participant Interview).*

Another thing that is especially challenging for a facilitator in the early stages of a group's formation is moving the group through a process of learning at a pace that suits all members. At the beginning, members have the least basis of shared experience and understanding and facilitators typically need to lead the group quite explicitly, introducing the new ways of thinking and communicating that Bestprac is based on.

As a group becomes more comfortable and established, the group's own direction is able to emerge. Facilitators then need to combine a focus on the topic areas the group has chosen to explore with the underlying process-based content of the program, keeping the group learning and progressing on both fronts.

At all stages, facilitators need to keep challenging the group 'about *why* they think what they think' (Facilitator Interview). In promoting this kind of meta-cognitive thinking, the facilitators reinforce the social learning that occurs in the group by role modelling the kind of reflective attitude that producers are encouraged to adopt towards their own individual thinking and practices.

### **3.4.2 Group self-direction**

A core characteristic of Bestprac is that it is "producer led". Although facilitators teach all producers a large amount of generic content about the process of critiquing and improving a business, and, as discussed below, about triple bottom line outcomes, the aim of doing so is to hand over direction of the group's activities to the group itself so that they can fashion it in accordance with their recently revisited personal goals. This process of adult self-directed learning is well recognised as one of the most effective 'teaching' methods.

When asked to describe Bestprac, producers and facilitators ranged widely in how much emphasis they placed on the self-directed versus generic character of the program's content. All, however, agreed that the self-directed aspect of the program is one of its core strengths, leading to the relevance and effectiveness of its content.

The self-directed character of Bestprac guarantees the relevance of its meetings for producers by getting them to determine the content. Therefore, despite Bestprac being a national program, each Bestprac meeting is focused squarely on locally relevant issues. As an ex-participant stated:

*Normally you get bombarded with lots of irrelevant info, but the good thing about Bestprac was that all the info was relevant (Ex-Participant Interview).*

Existing successful practices among group members can further refine what the group focuses on. Illustrating the kind of social learning involved, a producer commented that:

*Group direction can emerge from watching and then following the successful ones in the group... Our interest in organic fat lambs came about after a few years of observing that the organic ones [producers] were the most profitable (Participant Interview).*

All group members have something to contribute to the group learning and direction, even if it is to serve as a negative example. Part of the program experience, a facilitator commented, is to get participants to 'know the value of their own stories' for others. The process of reaching consensus on what the focus of the group is going to be for the year is also an exercise in forethought, communication and compromise for the members, which helps to develop important skills in these areas along the way.

The self-direction of Bestprac groups occurs alongside leadership offered by the facilitators. Although facilitators act in large part under the direction of the group, they do also lead the group to focus on the important, generic content of the program, both in terms of the business management processes the program encourages and its interest in triple bottom line objectives. As discussed further below, this can create some challenges. One of these is the patience required on the part of facilitators (and program administrators) as group members evolve – effectively, but slowly – in their awareness of issues that the facilitator recognises as important from the start. As one facilitator explained:

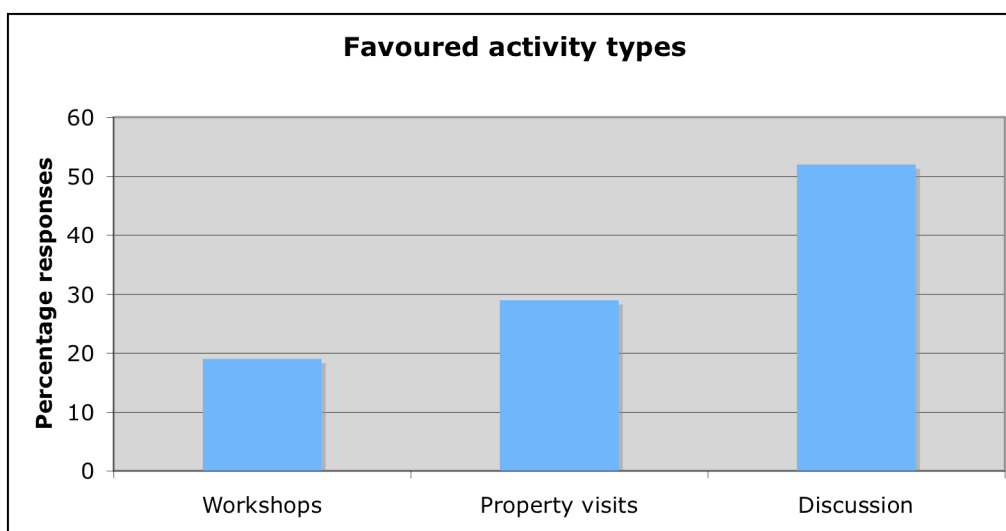
*There are lots of sources of information about topics producers “should” know, but this is not Bestprac’s role. What makes it different to other extension activities... is that producers choose what they are interested in... It might take [the group] a long time [to become interested in “necessary” topics], but they will get there slowly and when the time is right and when they want to listen (Facilitator Interview).*

The effectiveness of Bestprac learning is not only based in the self-selected relevance of its content. A further important aspect of a group's self-direction is that membership is voluntary. Members 'own' their group, both in terms of committing themselves to attend and by having a say in subsequent membership changes. As one facilitator pointed out, even the very existence of the group rests with the group members and the drive for it to survive must come from them. Meetings are not “events” that are held by some external body regardless of members' attendance. While a slight drop-off in attendance may not affect the group too much, given the small numbers involved, members know that if they do not go, the meeting and indeed the existence of the group may be called off.

### **3.4.3 Activity types**

The favourite type of activity for Bestprac producers is the group discussions they have (Figure 8). These often occur in conjunction with visits to each others' properties. Such visits, with requisite tours of the producers' activities, are another important aspect of Bestprac meetings. Given the isolation of many properties, producers' privacy, and their lack of time, such in-depth visits are an uncommon experience for many producers, even to their neighbours' properties.





**Figure 8: The activity types producers reported favouring in meetings.**

The “hands-on” character of property tours and workshops strengthens the learning potential of the meetings by adding stimulation and catering for those who learn best outside of a meeting room situation. The relatively low number of producers who favour workshops – often involving outside speakers – may reflect the fact that not all groups have experienced this meeting format (Facilitator Interviews).

In addition, the few groups that have shared one or more meetings with other Bestprac groups strongly indicated that they find this a valuable activity, giving them the opportunity to interact with a larger group of similar producers and learn about the other group’s direction. A large proportion of participants and facilitators contacted during the evaluation were thirsty for information about what other participants and facilitators are doing, indicating that there is currently very little information circulated between groups.

#### **3.4.4 Financial benchmarking**

Depending on who you speak to, financial benchmarking plays a core or peripheral role within Bestprac. What is clear is that:

- It is a challenging exercise to be involved in, at least the first time
- Those who do participate generally find it a highly valuable experience.

Financial benchmarking of one’s property against others in the group is one of the earliest stages of the business management cycle that Bestprac producers are encouraged to embark on. Based on the philosophy that “you can’t improve what you can’t measure”, its purpose is to identify each business’ relative strengths and weaknesses, namely its most and least profitable components. Benchmarking allows producers to also track how their business is performing financially over time, as, it is hoped, potential improvements are implemented. As one facilitator commented, given that differences between businesses in terms of type, size and goals limit the value of benchmarking within the group to an extent, ‘the real interest becomes the changes in an individuals’ business over time’ (Facilitator Interview).

There is a spectrum of financial benchmarking approaches, from 'soft' benchmarking involving mostly qualitative data about a business, to the 'hardest' and most exhaustive approaches like 'Profit Probe', which involve a large amount of quantitative data and a range of calculations. In general, although there is not a fixed definition of what financial benchmarking in Bestprac actually involves, it is taken to mean an approach somewhere in between the two approaches described above.

Reflecting the producer-led approach of Bestprac, although some participants hold that the most searching forms of financial benchmarking are key to the program and even the best thing about it, not all participants choose to use these methods and stick to 'soft' benchmarking instead. Facilitators vary in how strongly they impose 'proper' numerical benchmarking on their groups. Some present it as a hurdle requirement for producers' entry into the program, believing that to do so is to ultimately do the producers a favour by pushing them into what the facilitator considers an invaluable activity. It also enforces a degree of consistency in the group, with the more members of a group involved in benchmarking, the greater the value of benchmarking against each other. Other facilitators prefer to be more accommodating of producers' frequent reluctance to be involved in what the facilitator presents as an optional component of the program, and they allow groups, or individuals within groups, to avoid the process.

The strong responses that quantitative financial benchmarking engenders in people point to the unusualness and power of the exercise. It is unusual, firstly, because many producers have not done the kind of calculations, or even developed the kind of data, that are used. They are therefore unfamiliar with the kind of information it creates and, more specifically, about the insights it creates about their business in particular. Facilitators mentioned that they often have to assist first-time benchmarkers with this stage of the process, either drawing on their own time and expertise, or directing them to an external accountant.

Benchmarking is also unusual because it involves subsequently sharing the intimate information that is generated about your business with the others in your group. Both of these stages – the generation and sharing of information about your business' financial performance – can feel unfamiliar and confronting to producers. If pushed into it, they can react against it.

In addition, it seems that while "facing the facts" is an important step in encouraging producers to improve their businesses, it can be counter-productively de-motivating if the desire to identify areas for improvement leads to an over-emphasis on a business' negative aspects. Benchmarking is consequently a process that all facilitators admit needs to be handled with care, particularly in the context of drought-induced declines in farm productivity and producer enthusiasm. The art is to combine the exposé of producers' business problems with giving them the determination and ability to work on those things that can be positively influenced and reduce their vulnerability to what is beyond their control. If the exposé of problems that benchmarking leads to cannot be accompanied by the latter, some facilitators choose to side step the process altogether until such time that they are more certain it will be an ultimately positive experience for the producers involved.

Some ex-participants commented that they had not found their experience of benchmarking productive. Some facilitators also mentioned that it had lead to some participants leaving. Despite the risks it involves, however, many of the producers who have participated in

benchmarking offered strongly positive testimonials about what they have got out of it. As some wrote in the questionnaire:

*'Benchmarking is very necessary although it can be confronting... [It has led to] increased productivity, spending money more wisely'.*

*'Number crunching: evaluating different scenarios and working out which is more profitable. Results always surprising and valuable'.*

*'Through benchmarking we're able to see positives in our business that you can't see by simply looking'.*

### 3.4.5 On-farm research and researcher visits

Like benchmarking, a potentially core component of the Bestprac experience for producers is direct interaction with scientific researchers and involvement in on-farm trials. Concordant with the producer-centred philosophy of the program, the idea is to side step the normal intermediaries in the research and extension path and to empower and educate producers by putting them in direct contact with the science they are often expected to apply to their practice.

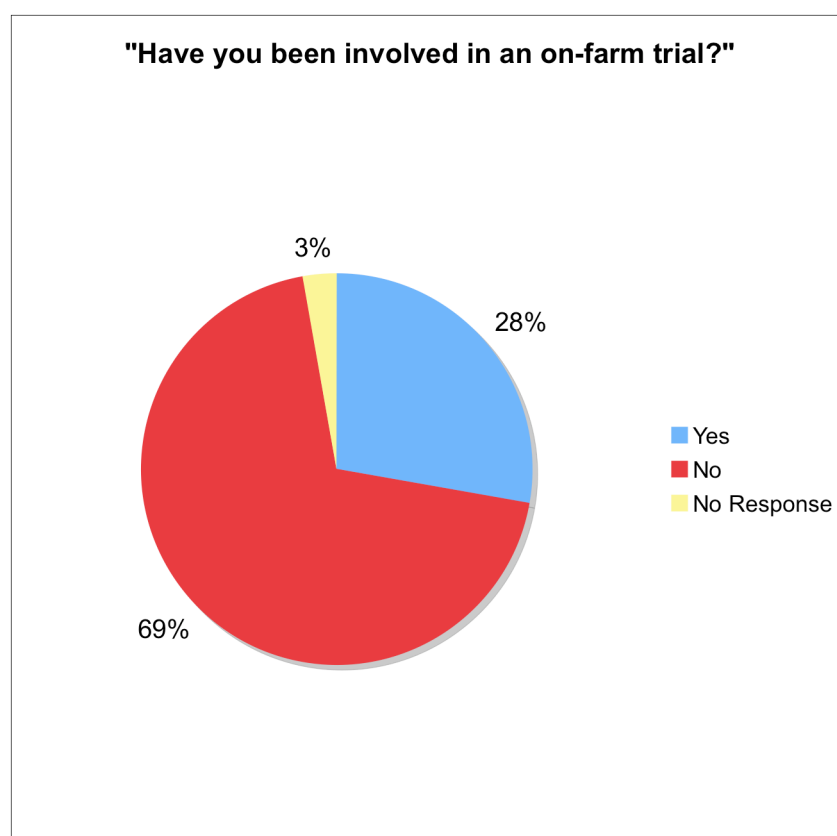
In contrast to a linear 'transfer of technology' approach in which researchers have control over the research question and process - leaving the producer the question of application - putting producers in contact with researchers creates a "participatory research" situation (Agenda Paper 3, May 4<sup>th</sup>, 2006, Project Advisory Panel meeting). In this situation, producers are involved in the generation of the research question. This is favoured as a part of Bestprac for the way in which it aligns with the group self-direction approach, giving a voice to producers.

Having producers also participate in the actual research process itself then creates an "action research" situation (Agenda Paper 3, May 4<sup>th</sup>, 2006, Project Advisory Panel meeting), in which producers are granted influence over the whole research question, process and application cycle. Such collaboration also helps researchers by focusing their efforts onto the issues of most concern to producers, refining what one researcher called the normal 'hit and miss approach'.

As with benchmarking, the actual place of producer-research contact in the program varies considerably among participants. Only 28% of questionnaire respondents reported that they have been involved in an on-farm trial, and no one listed research experience as one of the things they have found of most value about Bestprac (Figure 9). More than reflecting producers' willingness to be involved in such research, the relatively low participation rate likely points to the fact that not all groups have been given the opportunity to participate in on-farm trials. Discussions with facilitators suggest that there may be state-based differences in what opportunities for on-farm research participation exist, and that such opportunities are also reliant to a certain extent on a facilitator's own contacts and efforts.

A number of those producers who have been involved in on farm trials commented favourably on the experience. One producer reported in interview that thanks to running a trial on his property he now has a better understanding of the scientific method, as well as the specific research question on sheep nutrition that was involved. His improved

understanding of how scientific findings are generated includes a new appreciation of the considerable difficulties that field science involves. He gave the example of how hard it was to keep his treatment and control flocks separate while exposing them to similar environmental conditions (Participant Interview).



**Figure 9: The proportion of questionnaire respondents who have been involved in an on-farm trial.**

Interview results suggest that workshops with scientific researchers (as opposed to extension service providers) are more commonly employed than on-farm trials, being quicker and easier to organise. Those who have participated in such activities reported that they have found them useful. The aim is for producers and researchers to form a relationship based on their shared understanding of their differing and overlapping needs and interests. As one researcher commented, this is not something that is often possible (Researcher interview). In an environment in which there is relatively little science produced and many questions about the best ways to do things, arid-zone producers are often especially 'hungry' for scientific insights into their problems (Researcher Interview).

Talking with researchers about what research questions they want answered represents for producers the culmination of their exploration of their particular goals and requirements at an individual and group level. In this sense, the experience acts as an important impetus to and extension of the general evaluation and planning process that they are involved in for their business. A researcher explained that her work with producers in Bestprac involves teaching

them 'how to frame their questions. You have to teach them analytical skills and framework' (Researcher Interview). It also involves adding to the filtering and interpreting of scientific information that facilitators perform for producers. Despite the valuable complement that contact with researchers offers to producers' central experience of evaluating their businesses' needs, discussions with facilitators suggest that opportunities for groups to meet researchers are not equally available in each state or to each facilitator, particularly given the differing costs (distances) involved.

Many of the researchers interviewed about their involvement in Bestprac were highly complimentary of the program. Although at first virtually all of them struggled to identify the program – underlining issues with the branding of Bestprac – when they were reminded which one it is, they were strongly in favour of its approach and the producers it involves. As two commented:

*[Bestprac] is a great program because it actually engages clients' needs and asks them what problems they actually have (Researcher Interview).*

*Bestprac groups are very sensible. They are more engaged in ideas, more willing to share ideas and to take up new and novel ways of doing things (Researcher Interview).*

### **3.4.6 Frequency and form of meetings**

One of the issues for Bestprac is the frequency and form of its group meetings. On the one hand, the four – or, in some cases, three – meetings per year most groups hold is not considered enough contact to generate effective momentum in the groups. Facilitators and producers who feel this way often seem to maintain a high degree of informal contact between the official meetings. One facilitator stated that it is easier to have more regular get togethers than to keep 'restarting' the group every few months.

On the other hand, the expected number of four meetings is seen to be at – or, in some cases, over – the threshold of what some producers (and facilitators) can cope with, given their other commitments. As discussed further below, not having enough time to participate emerged as the most common reason today's ex-participants are no longer part of the program, and it remains a serious issue for many current participants.

Related to the question of meeting frequency is that of meeting form. Bestprac group "meetings" range from 3 hour teleconferences to 3 day residential retreats. Given the enormous distances some producers and facilitators have to travel to attend meetings, travel time is also an important factor. Although teleconferences are recognised as an inferior way of meeting, the two facilitators who mentioned using this technique around the Christmas period and due to the drought said that it was the only viable option for the producers involved and was thus preferable to missed meetings.

### **3.4.7 Costs for facilitators and participants**

The financial cost of being involved in Bestprac has also emerged as an issue for some producers and facilitators. For participants, the three main costs identified as of concern are:

- The \$400 membership fee

- The cost of travel and accommodation to attend meetings
- Lost time in on-farm labour to attend meetings

In addition, it seems a significant number of participants require assistance in preparing their books for financial benchmarking. When facilitators are not able to provide this assistance (being beyond the bounds of what they are paid to provide), the producers need to pay accountants to do this work for them.

The level of the membership fee is known to be contentious. Some ex-participants mentioned that the incremental increase in the per year fee that was proposed in the past was something that had not impressed them about the program. Likewise, some current producers mentioned that they would not be able to pay the fee if it were to rise above its present level, particularly given the financial strain the drought is placing on them.

A number of facilitators mentioned the problems that the fee and other costs cause their group members. They also mentioned the difficulty they therefore sometimes have in collecting membership fees. This difficulty exacerbates and is exacerbated by the ambiguity that exists over when and how the fee is to be imposed, especially in the case of new members/potential members. There also seems to be some ambiguity over whether all groups are subject to the fee.

The advantage of having a membership fee is, according to economic psychology studies, that it increases participants' commitment. This is a view a number of facilitators strongly promoted. One ex-participant commented that he thought the lack of any fee for the program when he was involved had limited the commitment of the group members. Questionnaire responses indicate that most participants are happy to pay the fee, with the distribution of responses closely mirroring that in Figure 1 about satisfaction with the program (a strong preference for 'Agree' and 'Strongly Agree').

Although some producers mentioned lost 'work time' on the farm as an issue (primarily ex-participants), others strongly rejected the notion that the meetings are not real work or financially beneficial. Many said it was the most effective time they spent 'on' their property.

The budget paid to facilitators for each group is \$11,000. Taking into account the membership fees paid by each business, the external funding provided for each business and participant is shown below:

National group costs	\$11,000 x 22 groups	\$242, 000
National fees collected from participants	\$400 x 135 businesses	\$54,000
External funding for groups	\$242,000 - \$54,000	\$188,000
External funding provided per group	\$188,000 / 22	\$8545.45
External funding provided per business	\$188,000 / 135	\$1392.60
External funding provided per participant	\$188,000 / 230	\$817.40

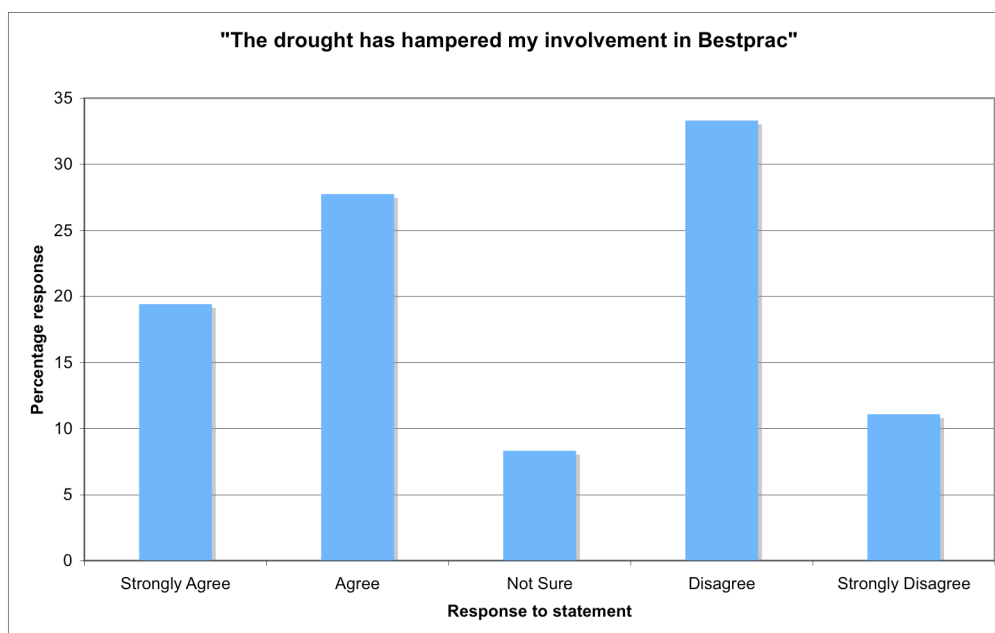
The actual cost of delivering the program versus the budgeted cost is an issue for many of the facilitators. A number of facilitators commented that with the current budget, the program is not financially viable for them. Some mentioned that they end up doing a lot of work for free (for example, follow up support between meetings, assistance to participants during benchmarking). Others stated that they cope by limiting their group's activities. For example, a number deliver the technical content of the program themselves rather than paying for outside speakers/researchers. Finally, one facilitator mentioned that the financial strain of facilitating a Bestprac group meant that they are reconsidering their involvement in the program.

Travel is a major cost for all involved in the program. Although facilitators' own mileage costs are covered in-kind by the program, the cost of getting guest speakers (for example, researchers) to group meetings varies according to the isolation of the group. Given that this cost has to be covered out of the flat funding rate provided per group, it was suggested that this makes it untenable to get speakers to some group meetings. Similarly, it is untenable for some groups to hold meetings in a variety of places (for example, each other's properties) because of the travel cost to participants.

### 3.5 Limitations and challenges

#### 3.5.1 Drought conditions

Most Bestprac producers have been experiencing drought conditions for the last few or more years. The intensity and type of effect of these conditions on producers' experience of the program ranges widely. Figure 10 illustrates the bi-modal distribution of responses that was received in answer to the question of whether the drought has hampered respondents' involvement in the program, with approximately equal numbers indicated that it has/has not had a hampering effect.



**Figure 10: Questionnaire responses to the statement "The drought has hampered my involvement in Bestprac".**

There are two general types of negative effect the drought has had on some participants' involvement:

- hampering their progress towards desired outcomes, and;
- placing a strain on groups.

In terms of the first, participants' progress towards their desired outcomes has been hampered in two main ways:

- by limiting the changes they can implement on their property, and;
- by dampening or obscuring the potentially positive effect of changes that they have implemented.

The following participant comments from the questionnaire illustrate these problems:

*'Frustration that due to the drought we have had only a limited chance to put into practice what we've learnt'*

*'Seasonal changes have not allowed us to take advantage of what we have learnt'*

*'No changes yet, but with the continued help of Bestprac I am sure we can start achieving our goals'*

*'Hard to see [on-ground changes] because we've had droughts since Bestprac started. Hopefully, changes will take effect with better years'*

*'Hard to access improved profit due to drought conditions making everything challenging'*

*'Hard to say because we've had droughts since Bestprac started. Hopefully, changes will take effect with better years'*

*'This is beginning to happen – too soon to comment. Worst possible time to get a handle on this as we've experienced drought during my involvement in Bestprac'.*

There are also two main ways in which the drought has placed strain on some groups:

- reducing some participants' motivation to critique their business and consider changes, and;
- reducing attendance at meetings and the sustainability of some groups.

A few facilitators described the lack of enthusiasm some of their stressed participants presently feel for the kind of thinking and work Bestprac encourages them to take on. This demotivation is especially acute with regards to benchmarking, which some facilitators have consequently postponed. In the most drought-affected areas, some facilitators mentioned that at present their primary role with some of their participants is not to challenge them but to motivate and even counsel them. These facilitators recognise that this is a time in which they need to be flexible in their role and adopt different approaches. While the 'self-help' philosophy that Bestprac extends to producers is highly suitable in most circumstances, when producers have mentally and emotionally exhausted their ability to help themselves, the demand to 'self-help' can become an added burden for them, and the most suitable



approach is instead to offer them more support and guidance. The problem is that the motivator and counsellor role can take a toll on facilitators' own morale and energy. As one facilitator explained, it can be hard at present – for participants and facilitators alike – 'to keep trying':

*At the moment it is very hard to think of or implement innovative ideas. The opportunities are limited, which makes it very hard. No matter what [the producers] try to do their figures are not improving. So, it makes it hard to keep trying (Facilitator Interview).*

This can place a strain on the sustainability of some groups. A further strain is that, with a limited ability or energy to implement changes to their business, some producers feel that the current relevance of Bestprac is reduced for them. Combined with the time they are needing to spend carting water, supplementary feeding stock and/or working off-farm, a significant number of participants have been unable to attend meetings. This has led to at least one group going 'into recess'.

In contrast to the above discussion, in many cases producers indicated that not only has the drought not hampered their involvement in Bestprac, but that the program has been more important for them during the current drought than ever before, thanks to two inter-related benefits:

- the positive on-farm changes the program has enabled them to make, increasing their resistance and resilience in the face of common drought effects, and;
- the motivation and support they have received from their group facilitator and colleagues.

As some wrote in the questionnaire about what they have got out of the program:

*'[Bestprac] has given us the ability to handle dry periods better and to maintain breeding stock, which has led to pastures recovering faster and better to rain events'*

*'We have gone thru the dry period with more feed and more options than ever before. We have been able to take advantages of opportunities not previously open to us. We have known what to do and how to do it!'*

*'Certainly wellbeing during this time has been greatly influenced by the group interaction in Bestprac'*

*'Personally we are able to cope with these dry conditions and not make decisions on the spur of the moment when in crisis'*

*'Family wellbeing is good despite hard times/drought'*

*'With the drought of the last 10 years, [Bestprac meetings have been] a cheer up day - better understanding that your business is not the only one suffering and you are not the only one having bad luck'*

*'Social contact during hard times'*

While some businesses may be suffering financially (and environmentally) during the drought, it seems that Bestprac has helped to ensure that it has not crushed the spirit of

many of its members. Indeed, a number of producers reported that the generally poor farming conditions the sector is experiencing has been an opportunity for them to strengthen their own business by evaluating their business opportunities and confidently capitalising on them in the way they have been taught to do through Bestprac.

### 3.5.2 The time effect

Time is an important factor in assessing the effectiveness of Bestprac. Elapsed time can have both a positive and a negative effect.

On the one hand, a certain period of time is required before the full benefits of Bestprac become obvious, whether in terms of the social, environmental or financial outcomes of the program. Socially, individuals are more vulnerable to leaving and groups are more vulnerable to collapse in the early stages of involvement. Group loyalties, identity and direction take time to form, as does the habit of attendance. As a facilitator noted: 'Groups need a couple of years together to really work well and share' (Facilitator Interview). Similarly, a producer commented in interview that his group is improving over time as people put more into it.

There is then a lag time between the changes that committed individuals implement on their properties and the positive outcomes these changes hopefully lead to; a lag which can be exacerbated by complicating factors like drought. As a couple of producers commented in the questionnaire:

*'Not really [any changes made yet]... I hope it will eventually... Too early to see at this stage, but I think we'll see some improvements over the next few years or so.'*

*'Seasons haven't favoured any challenges in the natural environment and profit yet, but we are aware of possible changes for the future'*

On the other hand, elapsed time can also pose some challenges for Bestprac groups. First of all, a couple of facilitators noted that it can become challenging to keep a group fresh and motivated with new ideas. Although the self-directed character of the program means it is designed to and capable of growing with the group, some producers mistakenly think of the program as something they 'graduate' from (Facilitator Interview).

A facilitator also suggested that perhaps some groups at least do have a natural 'lifespan'. One trend that supports this is the number of Bestprac members that decide, upon assessment of their business, to leave the industry in order to retire or work in another field. While helping such producers with a positive exit strategy can be a real benefit of Bestprac, it does mean that the program loses members. Given the common reluctance of group members to "start again" with new members when they are already well advanced in Bestprac thinking, replacing lost members or rejuvenating a group with new blood can be difficult.

When producers have been involved in Bestprac for a long time, another challenge that can emerge is that individuals' (differing levels of) success can introduce a disparity between the original direction and approach of the group and what producers find they need. One participant in this situation recommended that, just as individual businesses are encouraged

to, Bestprac groups need to regularly reassess what the group needs and whether their current approach is the most appropriate.

A further (welcome) challenge created by elapsed time is that participants lose track of the positive effects the program has actually had on them. As their entire way of thinking changes, including their values, they can forget what advances they have made. As one couple stated in the questionnaire about the effect of the program on their business:

*'Hard to be sure as we have been involved for so long... but if non-members are a guide, its pretty easy to see that we and the group in general are doing many things differently (from stock handling to business focus to marketing). We tend to manage with a view to the whole operation (including personal values).'*

### 3.5.3 Obstacles to participant involvement

The main obstacles to people (re)joining the program or remaining in the program appear to be:

- time
- privacy
- group dynamics
- feeling unable to implement changes
- mistaken perceptions about the program
- money.

In terms of time, having enough time to travel to meetings or crunch financial figures on the computer were specifically mentioned by active and ex-participants as limitations. Some facilitators mentioned that perhaps producers devoted time to competing programs instead, although the differences between Bestprac and other programs decrease the competition between them. All ex-participants mentioned that, regardless of other contributing factors, they primarily left because of time constraints and that if they had more time they would like to be involved again. As two commented:

*'Had to leave because of sickness in the family. No time. Great program. Would love to be involved again' (Ex-Participant Interview).*

*We left because we were slack. It was not because of the program itself. The benchmarking was very interesting. But it was all too much work...Not good on the computer. We needed to get more organised and didn't have time (Ex-Participant Interview).*

The issue of privacy was mentioned by a large number of people as to why they thought others chose not to be involved in the program. Especially when benchmarking is involved, Bestprac requires a degree of open-ness with colleagues (and family) that is unusual and often confronting for producers. An ex-participant suggested that the 'old school theory of secrecy among the older generation' means they won't discuss financial information and become involved (Ex-Participant Interview).

Group dynamics can be an issue in a number of ways. First of all, new groups may simply fail to form securely because the participants do not bond. As a facilitator pointed out:

*'The group dynamic is vital to keeping people involved but some people just don't get along. Some people just don't or won't fit in and there is not much you can do about it' (Facilitator Interview).*

One ex-participant mentioned that her group had had too great a diversity of ages and management styles for them to connect. This can come to a head when the group tries to decide on their direction for the year. Trying to reach consensus over whether to benchmark can also be a trigger for group dissolution.

Second, having a mix of new and existing members in a group was mentioned by a number of facilitators as a potential difficulty, affecting the group cohesion and pace of the program. A couple of ex-participants mentioned that they had left because they had tried to join established groups and had felt they did not fit in or were too far behind. Conversely, another previously established member mentioned that:

*'We had new members join our group and we started going over old ground so it was not a good use of my time. I could move faster myself' (Ex-Participant Interview).*

Finally, the degree and style of direction provided by the facilitator can cause unrest in a group and be off-putting for (potential) members. One ex-participant left his group because he had found it to be too strongly based on RCS Grazing for Profit thinking:

*Our group was a front for RCS Grazing for Profit and wasn't about anything else. People were very one-eyed. The social side was great but the facilitator needed to change (Ex-Participant Interview).*

Some people do not become involved in Bestprac because they don't have the authority to implement changes on the property they are on, either because of their family situation or employment position. An ex-participant explained her and her husband's situation:

*We enjoyed it but one member of our family property thought it was a waste of time and this dented our ability to be involved. It is very difficult to get people to talk in our family. There are issues surrounding the in-laws... Family differences made it very difficult to be involved. But I would like to be involved again. Maybe someone from Bestprac could act as a mediator in our family (Ex-Participant Interview).*

Mistaken perceptions about the program dissuade some potential participants. A producer mentioned that he had previously thought the program must be very prescriptive, being about 'Best Prac[tice]'. There is also a perception that the program is an elite club for those producers who are already successful and innovative producers, rather than being welcoming and accessible for those who want to become successful and innovative. This perception is not altogether mistaken. Some of the most successful groups do seem to have elements of this feel to them, regardless of the fact that the individuals involved probably did not start the program in this way. Comments across the interviews also indicate that the program does generally attract and therefore suit a self-selecting typology of producers characterised by higher than average numbers of "innovators". A number of people commented that Bestprac should not aim for 100% participation among wool producers because it simply does not suit all of them and to pursue such an aim would limit the current strength of the program. One participant commented in the questionnaire:

*'Bestprac is for those who are determined to stay in the industry, willing to change. Many farmers are not like this > waste of time if they joined'.*

Another pointed out that: 'people have to want to be there for the group to settle' (Participant Interview).

As social psychology would highlight, the close cohesion of some groups naturally leads to perceptions of cliqueness among "outsiders". This perception is not helped in some situations by the attitude of some group members to these "outsiders" and by member control over who can join the group. One of the results of the closedness of groups is that what goes on in the program can become mystified. Another misunderstanding about the program is about the relevance of what it offers, with some producers unable to see the importance of "all that talk and office work".

### **3.6 Improvements suggested for the program**

Participants and facilitators were asked what improvements they would suggest for the program. The most common response was that no improvements are needed. As one producer stated in the questionnaire: 'I like it just the way it is'. In particular, many producers commented that there should be no change to the self-directed small group model and no increases in the time or fee involved for participants.

A few changes were also suggested and are outlined below.

#### **3.6.1 Changes to program content and activities**

Three changes were suggested:

- Increasing the cross-links between Bestprac groups to expand the network, share resources and help lift groups to the same level (with established groups perhaps mentoring new groups through a 'sister group' relationship) (Participant-suggested);
- Increasing the cross-links between Bestprac and other extension activities, introducing new efficiencies in how the desired technical information is delivered in Bestprac an using the Bestprac network to deliver other program's messages (Facilitator-suggested);
- Revise the focus and content of the program to cope with the effects of drought conditions and participants' changing circumstances to keep the program relevant (Participant- and Facilitator-suggested).

#### **3.6.2 Changes to delivery model**

Five changes were suggested to the program's delivery model:

- To increase the funding available to facilitators to run the program (Facilitator- and Participant-suggested);
- To increase the use of internet and phone based group connections between meetings to maintain momentum (Facilitator-suggested);
- To ensure the use of efficient technology (not postal mail) to contact group members (Ex-Participant-suggested);

- To use volunteer participants as group coordinators (meeting organisers), increasing their ownership of the groups and relieving facilitators of the administrative burden (Facilitator-suggested);
- To ensure facilitators and producers understand they need to commit to pre-set dates (Participant-suggested).

In addition, at the administrative level, two participants suggested they would like to see greater producer involvement at the executive level of the program.

## 3.7 Progress towards the objectives

### 3.7.1 Triple bottom line outcomes

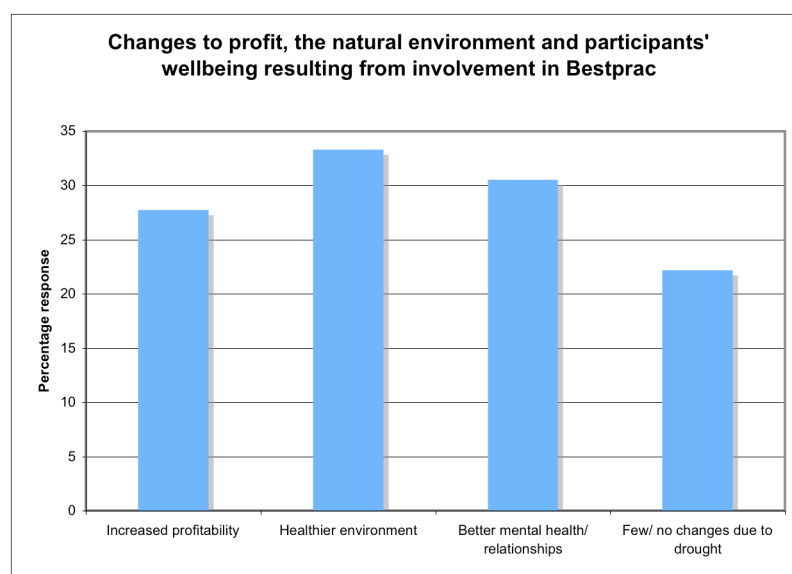
The formal objectives of program point to intended outcomes in the financial, environmental and social spheres. In general, this 'triple bottom line' approach involves two things:

- Maintaining the traditional focus on the financial bottom line of a program;
- Introducing a new equally important focus on a program's environmental and social outcomes.

In this section, we review evidence of Bestprac's progress towards its desired triple bottom line outcomes and other objectives.

### 3.7.2 Increased profitability

Figures on actual changes to the profitability of participants' businesses over the period of their involvement in Bestprac were not available for this evaluation. Nevertheless, 28% of questionnaire respondents did report that, despite the drought, they have seen an improvement to their businesses' profitability as a result of practice changes they have made through Bestprac (Figure 11).



**Figure 11: Changes to triple bottom line outcomes reported in the questionnaire by participants.**

Highlighting the practice changes involved, some participants commented:

*'[The wool] portion of the business has become more profitable with less stress, even during hard times'.*

*'Changed my enterprise structure and attitude to marketing... Made my business very successful and profitable, even in hard times'.*

*'We did a heap of number crunching to see just how our business was performing and how it might perform under different circumstances. We looked at more options than we used to, and had the resources through our network to get help and info... We have changed the breed of livestock we run as we have deemed them to be more profitable than what we were running before... Profit has increased'.*

*'We have changed shearing times and lambing is now later to decrease ewe and lambing losses... [This has] increased lambing from average of 75% to 97% this year... [There has been a] decrease in ewe losses and increase in weaning rates... We've also invested in off-farm income, which is very handy in the dry times we are having at the moment...'.*

Reflective of the time lag effect discussed above, the most common response to the question of increased profitability, however, was "we haven't seen it yet, but it is coming". Everyone encountered in the evaluation seemed well aware of the importance the program places on improving profitability.

### **3.7.3 Improved environmental condition**

34% of questionnaire respondents reported improvements in the environmental condition of their properties. As some explained in the questionnaire:

*'The land is now in better condition and responds more quickly to rain events, considering that for most of the time we have been in Bestprac we have experienced dry or drought years'.*

*'Better management leading to a healthier environment'.*

The conversion of a number of farmers to organics (including a whole group)) also represents a positive environmental outcome from the program.

Some producers commented more generally on having learnt to now value and aim for an improvement in environmental condition:

*'We have learnt to place more emphasis on triple bottom line – you can be profitable and environmentally responsible without stressing land, stock or personnel'.*

*'We're more interested in looking after the country now – we always have been, but now we know how to do it, to get the sheep off more quickly'.*

*'Greater emphasis on working with the land'.*

*'Are more inclined to destock for betterment of the country... We are much more aware of the environment'*

*'Know relevance of (ecologically) sustainable practices'.*

*'Environment is an integral part of getting more production out the system. Its all about looking after the country or you won't get a profit'.*

Despite the interest and results mentioned above, it is notable that in virtually all interviewees' descriptions of the program, there was little unprompted mention of environmental objectives or outcomes.

Some facilitators explained that it is difficult to focus on environmental outcomes. This is for two reasons. One is circumstantial: the poor farming conditions many producers are currently facing mean environmental outcomes are seen as a luxury that many can ill-afford. A producer explained that NRM takes money to implement but often doesn't create money, at least in the short term. The second reason is that the self-directed character of the group limits how directive facilitators feel they should be on environmental management questions. As one stated: 'that is not the role of Bestprac' (Facilitator Interview).

Other facilitators commented that environmental concerns always underlie their discussions with producers because in arid zone pastoral areas, if the land is not in good condition, it will not be productive. Environmental outcomes in this light are seen as a means to the end of financial outcomes and are restricted to the effects of stocking rates.

Overall, a producer perhaps summed up the place of environmental objectives in the program by saying that 'the environmental message is not strong but it is there'.

### **3.7.4 Improved wellbeing**

Over 30% of questionnaire respondents reported that their wellbeing has improved as a result of the program, either in terms of their individual mental health or their relationships. This statistic does not reflect the frequent unprompted mention of the social benefits the program has had for producers and the importance of this that has been described in preceding sections.

Comments from producers and facilitators describe some of the improvements to individuals' wellbeing that have emerged from the program:

*'We have MORE CONTROL over what we do. The flexibility to MAKE CHOICES. With the feeling of being in control, there is freedom to make choices and the positive attitude that goes with this means that there is NO DENIAL in our house. We are open to new ideas and willing to make changes as needed' (Participant questionnaire).*

*'Bestprac has enabled me to achieve all of my personal goals to date' (Participant questionnaire).*

*'The mental health worth of the groups is beyond figures' (Facilitator Interview)*

Some of the positive effects on relationships is illustrated by the following:



*'Having our son involved has both of us thinking along the same lines... All members of the business are aware of what is to happen in advance. All members get the opportunity to be involved in decision making and are working to achieve better results... [We are] more conscious of each person's own health and wellbeing (time out is important)' (Participant Interview)*

*'Communication with family... Better family relationships' (Participant questionnaire).*

*'It is very important to get the difficult conversations going – about long term plans, about the kids, about what is going to happen when they retire. Very important to help them do this in a safe and structured environment. This is a very important outcome' (Facilitator Interview).*

*'Couples talk about things in Bestprac that they don't talk about at that level anywhere else' (Facilitator Interview).*

Associated with both individual wellbeing and relationships is the placing of increased value on leisure time, which one couple mentioned in the questionnaire as an outcome of Bestprac:

*'[We have learnt the importance of] making it work for us, relevance of leisure... [We now have] more leisure time, profit, satisfaction with our aims and lot in life... greater wellbeing emotionally and financially'.*

Social outcomes beyond the immediate producers involved were not mentioned as important by anyone in the program except for one organic lamb producer who said he was motivated to produce healthier food for society.

### **3.7.5 Expansion of the program**

Current participation levels indicate that, at 135 businesses, the program is only about 45% of the way towards achieving its designated objective of having 300 businesses involved (Objective 2).

As mentioned above, facilitators reported that they currently see the potential for approximately 8 - 11 new groups to start up if the resources to facilitate them were available. They also mentioned, however that a similar number of groups (8 – 9 groups; 40% of current groups) are currently at risk of folding.

### **3.7.6 Innovation network-supply chain partnerships**

There has been some but not a great deal of progress towards the stated objective of developing 'well-established and productive partnerships between the innovation network and research, development and innovation services within the supply chain'. The program does introduce producers to a range of knowledge, products and services they otherwise don't know about or would ignore. However, this seems to be reliant on facilitators' individual contacts, knowledge and time. Therefore, the program is vulnerable to great inconsistency in opportunities between groups in the formation of these partnerships. As explained above, in terms of forming partnerships specifically between producers and researchers, progress is relatively limited and patchy.

## 4 Conclusions

The overall conclusion arising from the research described in the preceding sections is that Bestprac *is a highly valuable and unique program that should be strongly supported in the future. Without question, it represents extremely good value for money for funders.*

Given the program's significant value, its future deserves careful thought. The following section lays out five important topics for discussion that arise from the evaluation. These illustrate that, while there are a few improvements to be made in the programs' implementation, it is the strategic level that demands the most attention in assessment of the program's future direction.

### 4.1 Desired outcomes and the question of top-down direction

#### 4.1.1 To direct or not direct

The first point to highlight from this evaluation is:

- The program is unquestionably of high value; and
- The value it provides does not align neatly with its pre-determined objectives.

This combination points to an inherent tension within the program: wanting producers to move towards a pre-determined (prescriptive) definition of improvement (no matter how broad); and using a delivery model that allows them (and even celebrates) their self-direction. In the terminology of Drew (2003), this means that at one level the program is an 'extension campaign' and at another level it is 'advisory'. Extension campaigns are "top down" programs designed to encourage participants to change their practice in order to meet perceived industry needs (for example, a more profitable, professional wool sector). In contrast, the 'advisory network system' is a "bottom up" network centred on addressing the specific needs of individual managers or decision makers.

Bestprac is highly unusual in combining these two approaches to extension within the one program. And in practice, there is not necessarily conflict between them. Some producers choose voluntarily to move in the direction desired for them. However, awareness is needed that there is a risk that these approaches will clash. Moreover, there is evidence in Bestprac that sometimes they do clash, as seen in debates over:

- how directive facilitators are meant to be;
- how strongly benchmarking is imposed as a requirement of participation;
- how strongly research involvement is pushed, and;
- what role the environmental message plays in the program.

The stated triple bottom line objectives of Bestprac – against which its success is apparently measured – constitute its "campaign direction". In terms of environmental and financial bottom lines, in particular, there may be a tension between the program achieving these desired outcomes by shaping producers' practices and the program achieving important social outcomes by empowering producers with its 'advisory' approach. It may be felt that certain environmental and financial outcomes may only be enhanced if (recalcitrant) producers are more strongly directed down these paths by the facilitators. But to direct (or

“discipline”) them in this way could risk what is now so successful about the program. A more heavy-handed directive role could destroy the program’s current degree of effectiveness in achieving the desired triple bottom line outcomes, and, in particular, the valuable social outcomes that stem from its producer-centricity.

One of the notable things about Bestprac is that it creates a lot of “unintended” benefits for producers. These benefits tend to arise out of the power it gives to producers through its delivery model. They are unexpected because of the way they differ from the conventional extension model that fundamentally disempowers producers as passive recipients of pre-determined information. Choosing to more strongly direct producers along certain paths in Bestprac would be to make the program more like conventional extension approaches (the ‘campaign’ model). It would therefore risk some of the unique and significant benefits it currently provides to producers through its ‘advisory’ approach.

This issue of whether to “push” producers in a certain direction or not raises questions about who a program is designed to benefit: individual producers; or the industry (and society) at large. Although the answer may be that to push producers in a certain direction is ultimately for “their” good, care has to be taken in adopting such a paternal approach.

#### **4.1.2 What direction(s) to promote**

In a sense, Bestprac does achieve numerous important benefits for producers through its relatively traditional teaching (“direction”) of them. Yet, what Bestprac teaches differs from most extension activities by its generality and combination of objective and subjective components. Its associated explicit invitation to each participant to apply the teaching to their own situation allows them to “self-direct” what they get out of the program. In this regard, more than providing a set of appropriate goals for producers (directions or objectives for change/improvement), Bestprac provides:

- The reason producers need to have individual business/family goals
- How to formulate goals
- The ability to communicate goals
- The ability to work towards goals, and
- The ability to monitor progress towards goals

The technical information it provides to fulfil these steps is targeted to each individual group and, to an extent, business. This ‘advisory’ approach is recognised to be far more effective in eliciting practice change than a scattergun approach of providing extension information in the hope that it might be of relevance to producers.

Although Bestprac is directed by participants, the program’s teaching does also inherently promote financial outcomes irrespective of what interests are expressed by group members. With its emphasis on financial records, benchmarking and business management information, it is quite explicitly an ‘extension campaign’ when it comes to profitability. To the extent that its promotion of small group learning involves improving producers wellbeing and focus on wellbeing, it can also be considered an extension campaign when it comes to social outcomes.

Yet the same cannot be said when it comes to the environmental outcomes. Rather, in the content of the program, the financial bottom line is currently privileged. Not only does this create a situation of relative neglect for environmental concerns, but in absolute terms they may be actively disadvantaged by the program's current emphasis, given that practices that prioritise financial outcomes over environmental can weaken environmental performance. While "the environmental message" may be present in the background of the program's teaching, it is not given equal billing with "the financial message" (\*the "true" bottom line).

Furthermore, for Bestprac to optimally achieve its triple bottom line objectives, social outcomes similarly need to be featured in Bestprac's content as well as delivery. There is still a way to go before the social effects of a producers' business (including its effect on their and their family's and their employees' wellbeing) are prioritised in the same way as the financial, particularly in external measures of the success of the program.

Returning to the tension between the external and producer-generated direction of Bestprac discussed above, the fact that Bestprac groups are currently directed towards financial priorities with relatively little detrimental effect on their self-direction, demonstrates that there is scope for environmental and social priorities to feature more strongly in "the message" the program delivers. As long as financial outcomes are emphasised within it, the program's 'advisory' approach cannot be selectively used to defend it against the need to take a stronger line on environmental and social outcomes.

The final point to make on this topic is that there is a potential synergy between addressing the program's relative deficiency in environmental teaching (according to its Objective 1) and its deficiency in promoting producer-researcher interaction (Objective 3). To date, it seems most researchers involved in the program have been specialists in technical production topics. But a broader range of NRM specialists could be involved, concurrently boosting the program's achievement of Objectives 1 and 3.

## **4.2 The need for improved cohesion**

The issue of how controlled the content of the program is and should be remains open for discussion and requires a sensitive approach that preserves the benefits of individual and group self-direction. Where differences across groups are less desirable is at the operational and marketing level. The efficiency of facilitation, the effectiveness of the program for participants and the brand identity of Bestprac could all be bolstered by making the groups more cohesive. The thirst that participants and facilitators demonstrated for information about other groups indicates that there is great potential for sharing resources, ideas, inspiration, stories, lessons and specific information between the participants and facilitators of different groups.

Interaction between groups would help to build a program-wide identity that could also usefully help to strengthen each group's identity as they compare and contrast themselves with other groups. A large part of our social identity is how we present ourselves to others and how we are received by them. With local Bestprac groups having limited formal interaction with other people in their area (being highly self-contained), the opportunity to interact with other people that understand the basis of their group identity would significantly help to strengthen that group identity. This would have benefits not only by improving the likely effectiveness of the group's endeavours, but by improving the likely recognition of the program among non-Bestprac members.

The self-directed and self-contained character of groups means that the technical information that they pursue through their facilitator can be highly specific. There is, however, significant potential overlaps between what different groups are interested in, including the opportunity to provoke interest in a certain topic among participants who would otherwise not have considered that topic area (for example, organic farming). Combined with overlapping lessons in the general business approach taught by Bestprac, there is huge potential to coordinate the resources, learnings and activities of Bestprac groups. This could be done through facilitators alone or with participants. It could also be done in person or through a virtual network. Sharing between groups in this way would not only increase the efficiency of the program (in particular facilitators' time), but would extend the circle of support and enthusiasm that Bestprac currently creates at a local level.

### **4.3 Participation rates and the reach of the program**

One approach to spreading Bestprac's teaching (however defined) through the arid zone pastoral industry is to try to reach as many pastoralists as possible. Such a 'campaign' goal is implied in Objective 2 of the program. However, as with the directive character of a campaign extension approach, this goal conflicts with the small group delivery model that Bestprac implements. Although theoretically all potential participants could be integrated into a larger number of Bestprac groups, and there is certainly scope for expanding the program in this way to an extent, the special demands that Bestprac places on producers need to be appreciated. Not all producers are suited to Bestprac and to try to expend too much energy trying to woo them into groups in a top-down fashion (perhaps at the risk of disrupting otherwise successful groups) is a waste of time. Not only would such an approach fail to involve all producers, it is out of keeping with Bestprac's self directed model which values voluntarism. As the positive outcomes of Bestprac grow and are recognised, more producers will want to join. As long as the funding is provided for new groups to establish, Bestprac will grow naturally in this way.

That said, this growth relies most strongly on the continuation of existing groups. Given the increase in effectiveness of most Bestprac groups over time, and the transaction costs involved in setting up new groups, any emphasis placed on getting new members must not be implemented at the risk of lowering the survival chances of existing groups. Introducing new members to a group, for example, seems to be inherently risky and only appropriate in a limited number of cases (such as when groups are still quite new). The pressures that the drought is placing on groups at the moment make an emphasis on group maintenance rather than a growth in numbers especially important at this time.

A further important question to address that stems from the issues raised in section 4.1 is the specificity and rigidness of the program's target audience. At present, the program is focused on wool producers. However, the program's emphasis on producers' questioning and changing the direction of their businesses means that their interest in wool enterprises is not guaranteed. As is occurring, producers may choose to exercise their self-direction within the program by using it to help them switch to a focus on an alternative enterprise, such as meat sheep production, or even a non-sheep or non-agricultural enterprise. The question for program directors, therefore, is once again the degree to which they want to exercise top-down control on participants, in this case, perhaps limiting participation in the program.

## 4.4 Social outcomes and the reinforcement of good habits

Bestprac participants' achievement of outcomes from the program are important not only in their own right but because they act as feedback to participants, reinforcing the new behaviours they have adopted to achieve the outcomes and cementing them as a new habit (way of thinking).

One of the problems with the lag time that exists between the program 'treatment' and the 'effect' seen on bottom lines is that the behaviour change the program encourages may not be effectively reinforced as habit. A disconnection can be introduced in participant's minds between change and effect. The behaviour changes that the program encourages include things as simple as attendance at the program meetings. One of the reasons there is significant drop off among new/potential members is because the "habit" of being a Bestprac member has not had time to solidify and the benefits of being involved have not emerged to reinforce the behaviour change. Importantly, often the most immediate benefits a program offers participants – and reinforces their attendance with – are the social benefits of being involved in a small group of like-minded producers. The feelings of greater confidence that can arise just from producers' starting to share problems, assess their business, get organised and focused on possibilities also reinforce attendance at Bestprac. These social benefits of the program, which participants emphasise so strongly, are both of value in their own right and, beginning with encouraging attendance, underpin the behaviour changes that are needed to achieve subsequent outcomes.

## 4.5 Possible priorities for the future

There are 5 main options for the future shape of the program (Figure 1). These possible priorities for action are not necessarily mutually exclusive and need to be considered in light of the findings and issues mentioned above. The options and the relative priority that the findings suggest is placed on each option are described below. Our recommendations regarding these options are discussed in the following section.

**Figure 12: Possible priorities for the future program**



- Ensure the sustainability of the existing program as it is (eg. improve the ability of existing members to commit)
  - Priority suggested by findings: Very High
- Improve the current performance of the existing program (eg. strive for greater outcomes for each individual member)
  - Priority suggested by findings: High
- Expand the reach of the current program by developing more groups (perhaps in new regions)

- Priority suggested by findings: Medium
- Change the focus or activities of the existing program (eg. eliminate benchmarking)
  - Priority suggested by findings: Low
- Change the delivery model (eg. introduce greater top-down direction to groups).
  - Priority suggested by findings: Low

## 5 Recommendations

We recommend that all of the suggestions for improvement offered by participants and others during the evaluation (section 3.6 above) are explored further. In addition, we put forward the following.

### **Ensure the sustainability of the existing program**

As the findings suggest, *we recommend that a Very High priority is placed on ensuring the sustainability of the existing program.* Indeed, we recommend that, in light of the immense and unique value of Bestprac, securing the program's future is seen as of upmost importance. To achieve this, we specifically recommend that:

- That per group funding for Bestprac is increased to address the problem of the program's limited financial viability for facilitators and participants. Given the relatively small amount of funding currently provided by the program per business, there is significant scope for reasonably increasing the group budgets.
- That an area-specific subsidy is used to ensure that the most isolated groups are not unfairly disadvantaged by the greater costs involved in their meetings.
- That groups are encouraged to periodically discuss and reassess their direction and approach in order to ensure that they remain in tune with participants' changing circumstances, whether drought- or success- induced.

### **Improve the performance of the existing program**

As the findings suggest, *we recommend that a High priority is placed on this option.* In particular, we recommend:

- That the program works on developing greater program-level, inter-group cohesion to improve efficiencies, increase the consistency of performance across groups, and strengthen its internal brand identity. This would also raise the program's brand recognition among non-Bestprac members, leading to more interest among producers and potential research partners.
- That efficiencies in facilitation are optimised by enhancing the sharing of ideas, resources and events between facilitators. Funding is needed for more regular facilitator training. Such training could also incorporate monitoring the health of different Bestprac groups, including facilitator morale, in a systematic manner.
- That funding is increased for the running of meetings so that facilitators can more regularly get in technical speakers. This would allow them to focus more on the facilitation role, including as it may, providing the group with stronger direction on triple bottom line outcomes and Bestprac processes.
- That group participants are assisted in sharing their goals, direction and intended events (some of which would be open to other groups) for the year with other groups. This could be done on the internet.
- That an internet-based library of resources is established for facilitators and participants to contribute to and use, including summaries of relevant recent extension resources by the coordinator, facilitators or producers.



- That a group-to-group mentoring program is established so that learning can be intensively transferred between groups with similar challenges and interests. This could be developed following each group sharing their plans for the year.
- That the role of groups in making individual participant's accountable for their decisions and actions in light of their stated goals is encouraged and perhaps formalised to promote further practice change.
- That the idea of an annual Bestprac conference, where Bestprac groups and external speakers would present, is pursued following an assessment of the success of the upcoming Innovation in the Rangelands meeting in Hawker.
- That teleconferences or Skype technology is used to maintain the momentum of groups between and, where necessary, instead of face-to-face meetings.
- That the negative effect of the drought on some group's is recognised and that facilitators are encouraged to be flexible in their role. Where possible, efforts should be made to extend extra support to facilitators and participants in the most drought-afflicted areas. Extra-ordinary events, such as visits from other facilitators and/or participants, could be funded as part of this.

#### **Expand the reach of the current program**

In some contrast to the findings, *we recommend that a Low priority is placed on this option.* In particular, we recommend:

- That efforts to increase the total effectiveness of the program focus on increasing the effectiveness of existing groups.
- That funding is provided to form new groups where interest currently exists if the existence of existing groups is not hampered.

#### **Address the tension between the focus and delivery model of the existing program**

In contrast to the findings, *we recommend that a High priority is placed on this option.* In particular, we recommend:

- That the appropriateness of the program's formal objectives is discussed in light of the program's strengths.
- That, with input from facilitators and participants, how to achieve the optimal balance between the program's producer-centredness (self-direction) and pre-determined outcomes is determined.
- That the different elements of the program that require either across group consistency or flexibility across the groups are identified.
- That facilitators are trained in the strength and direction of the guidance they are expected to provide to groups and in the other elements of the program that it is determined require a standard approach.
- That environmental and social outcomes are added to the implicit prioritisation of financial outcomes that currently exists in the program's teaching, including, for example, matching any requirement for financial benchmarking with the same in environmental and social terms.

- That the issue of the flexibility of the program's target audience is discussed in light of the reality of producers' increasingly flexible approaches to their enterprises.
- That agricultural producers who shift their enterprise mix away from wool are still welcome in the program because such producers are often business leaders and can contribute important general business lessons to their groups.
- That quantifications are removed from the formal objectives unless mechanisms for measuring and monitoring such changes are identified, agreed upon and implemented.

In summary, *we recommend that the program is strongly supported in the future*. It not only offers valuable intended and unintended benefits for rangeland participants but the balanced top-down/bottom-up way in which it does so and the objectives it tackles in the process offer important lessons for other extension and triple bottom line programs across Australia. For this reason, the findings, conclusions and recommendations outlined in this report deserve focused and sustained attention.

## References

Drew, C. (2003) 'A new extension framework accommodating the needs of manager/decision makers and of other stakeholders'. JAIASST 16 (3): 1-9.

# Appendix 1: Producer Questionnaire

## Bestprac Participant Survey

**Optional Details**    **Name :** \_\_\_\_\_    **Bestprac group:** \_\_\_\_\_  
**Period of involvement in Bestprac:** \_\_\_\_\_

	Yes	No	Comment
1. Is your business family owned?			
2. Do you attend Bestprac with other members of your business?			
3. Do you interact with your Bestprac group members outside of formal meetings?			
4. Do you interact with your group facilitator outside of Bestprac meetings?			
5. Do you think 4 meetings a year is the right number?			
6. Have you attended all of your group's activities this year?			

<i>To what extent do you agree with the following statements:</i>	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Don't Know
7. I am satisfied with Bestprac						
8. Bestprac offers value for money						
9. Bestprac has met my expectations						
10. The drought has hampered my involvement in Bestprac						
11. My Bestprac group works well together						
12. Our facilitator is essential to our group's success						

	Response
13. What qualities do you think facilitators need?	
14. Has your facilitator got these qualities? If not, what do they need to improve on?	
15. What is the main thing you get out of Bestprac?	
16. Have you experienced any unintended benefits from your involvement in Bestprac? If so, what are they?	
17. Which Bestprac activities do you find most valuable?	

18. Have you been involved in an on-farm trial? If so, what have you got out of it?	
19. What is the main thing you have learnt through Bestprac?	
20. Has Bestprac changed your attitude towards what you do? If so, how?	
21. Has Bestprac changed your personal or professional ambitions? If so, how?	
22. Has Bestprac led you to change the way you <i>do</i> things? If so, how?	
23. What have these changes resulted in?	
24. Bestprac aims to improve the profit and natural environment of participants' enterprises and participants' wellbeing. What changes have you seen in your case?	
25. What can be done to improve Bestprac and make it more appealing to producers?	

Thank you very much for your participation. Results are confidential. Please return the survey to: [mandym@rmcg.com.au](mailto:mandym@rmcg.com.au) or RMCG, 880 Toorak Rd, Glen Iris, Victoria, 3146, **by Monday 11/12/06.** Please phone Lauren or Many on 1300 306 043 with any questions.

## Appendix 2: Interview guide questions

Please note that these are guides only and were adapted during the interviewing process to accommodate the evaluator's evolving understanding of the program.

### BESTPRAC ACTIVE PARTICIPANT INTERVIEW GUIDE

1. What is the history of your involvement in Bestprac?
2. How would you describe the program? What is its aim?
3. What sets it apart from other programs? What do you think are the strengths of the program?
4. What outcomes have you experienced as a result of being in the program? (goals, attitudes, knowledge, actions, on the ground changes.... financial/environmental/social....)
5. What do you think of the content you cover in the program?
6. What do you think of the delivery style of the program? What is the role of facilitation?
7. How would you describe a typical group member?
8. How does your group work together?
9. What are the main challenges you face as a member?
10. Why do you think some producers come and go from the program?
11. Why do you think some producers do not want to be involved? What can be done to encourage them to get involved?
12. How would you like to see Bestprac evolve in the future? Are there any improvements you would recommend?

### BESTPRAC EX-PARTICIPANT INTERVIEW GUIDE

1. What was your involvement in Bestprac?
2. Why did you come to leave the program? (Did you choose to leave an on-going group and, if so, why? Or did your group finish up and, if so, why?)
3. In your experience, what were the objectives of the program? (Financial, social and/or environmental outcomes?)
4. What would you say were the strengths of the program? What were the best things about being involved? Did anything improve through you being in the program (financially, on the property, personally)?
5. What would you say were the weaknesses of the program? What were the worst things about being involved? Do you think these things are inherent to the program or are specific to your particular group/experience?
6. Would you like to become involved again? What would need to change for you to become re-involved?
7. Why do you think more producers do not become involved?
8. Are you involved in other producer groups? If so, why do you prefer these over Bestprac?

### BESTPRAC FACILITATOR INTERVIEW GUIDE

1. What is the history of your involvement in Bestprac?
2. What do you think are the strengths of the program? What sets it apart from other programs?

3. And its weaknesses?
4. What are the objectives of the program? Do you think they are well conceived?
5. How effective do you think the program is in meeting its objectives? What positive outcomes have you seen?
6. Is the program more successful in some areas (financial, social and environmental outcomes) than others? If so, why?
7. What do you think of the content of the program? Does it match the objectives? Do you use the CI & I cycle?
8. What do you think of the program's delivery model – the facilitated but self-directed groups?
9. What are the main challenges you face as a facilitator?
10. Do you feel well supported as a facilitator? Do you feel you have all the skills you need to perform effectively in the role? Have you received adequate professional development?
11. Do you think the program is well administered?
12. What is your involvement with others in the program? (other facilitators, groups, researchers, admin, Policy Advisory Panel)
13. How do you think Bestprac is perceived in the pastoral community and why?
14. Why do you think some producers come and go from the program?
15. Why do you think some producers do not want to be involved? What can be done to encourage them to get involved?
16. How would you like to see Bestprac evolve in the future? What opportunities do you see?
17. What are the main threats to this vision?

#### **BESTPRAC RESEARCHER INTERVIEW GUIDE**

1. What is the history of your involvement in Bestprac?
2. What do you believe are the objectives of the program? Are they well conceived and important?
3. What is unique about Bestprac? How successful do you think the program is?
4. What is the main aim of your involvement with Bestprac groups? To what extent is it about delivering research results and to what extent is it about identifying and developing new research opportunities?
5. What have been the outcomes for you and the groups?
6. What do you think of the program's delivery model ? Is it a valuable way for you to communicate about research?
7. What is the role of research and researchers in Bestprac? Is Bestprac different in the way it involves producers in research? How involved in the research are the producers?
8. What are the main challenges you face as a researcher with Bestprac? What are the main obstacles to your optimal involvement?
9. Do you feel well supported in your role?
10. What is your involvement with others in the program? (facilitators, groups, other researchers, admin, Policy Advisory Panel)
11. How do you think Bestprac is perceived in the pastoral community and why?

12. Why do you think some producers come and go from the program and some producers do not want to be involved?

13. How would you like to see Bestprac evolve in the future? In particular, what are the needs of researchers?

#### **BESTPRAC PROJECT ADVISORY PANEL INTERVIEW GUIDE**

1. What is the history of your involvement in Bestprac?

2. What do you think are the objectives of Bestprac?

3. How effective do you think the program is in meeting its objectives?

4. What do you think are the strengths of the program?

5. And its weaknesses?

6. What is the role of the Project Advisory Panel in Bestprac?

7. How well do you think the PAP performs this role?

8. What are the main challenges you face as a member of the PAP?

9. How would you like to see Bestprac evolve in the future, both on the ground and at the administration level?

10. What are the main obstacles to this vision being realised?

11. What would you like to come out of the evaluation? Out of the workshop in February?

## **Bestprac Group Meetings: Discussion Guide**

### ***Introduction***

- my background, RMCG
- the evaluation project
- how this meeting fits in: purpose of this session
  - Overall questions to understand:
    - What is valuable about the program? What are its essential elements? What are its outcomes?
    - What are the limitations of the program? What could be improved?
- expectations of the session: informal, open, confidential chat

### ***Initial discussion: questions for each member:***

- How long have you been a pastoralist?
- How long have you been in Bestprac? Why did you join?

### ***Follow on discussion points:***

- *Why do you put in time and energy? What is it about it you value?*
  - How does it differ from normal extension activities?
  - How is it different to other groups you have been/ could be in?
- *What are the main elements of Bestprac experience?*
  - How relatively important are they?
  - What defines a good group?
  - What defines a good facilitator?
  - Is Bestprac primarily about learning or doing?
  - How important are outside speakers?
  - How important are individual projects?
  - How important are farm visits?
- *What has Bestprac helped you to change and how? Changing knowledge, practice, attitudes:*



- To what extent has Bestpac helped by highlighting the problem?
- By providing the know how about what to do?
- By providing the confidence to try it?
- Do you think differently as a result of Bestprac?
- Are you more interested in, knowledgeable about or involved in scientific research?
- Have you changed how you define success?
- *Why aren't more pastoralists involved? Why aren't all your neighbours involved?*
  - What is it about Bestprac that puts some people off?
  - Is this a problem? How could it be minimised?
  - What do you have in common?
    - Do you have common aims?
    - Would you say you are the early adopters of your community?
    - What diversity is represented in your group?
  - What limits how much time and energy you put in?

**9.4 Financial Evaluation of Selected Case Study Properties (EconSearch Pty Ltd)**

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# Bestprac: Financial Evaluation of Selected Case Study Properties

A report prepared for

Rural Directions Pty Ltd

Prepared by



20 April 2007

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## Abbreviations

BCR	Benefit-Cost Ratio
IRR	Internal Rate of Return
NPV	Net Present Value

## Document History and Status

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## 1. Introduction

EconSearch Pty Ltd was contracted by Rural Directions Pty Ltd to conduct a financial evaluation of participation in the Bestprac program using selected case study properties in the pastoral region of South Australia.

The two case study properties were:

- Case study 1 - Warren and Jane Luckraft, 'The Springs', north of Orroroo, SA; and
- Case study 2 - Ian and Sue Warnes, 'Woolgangi Station', east of Burra, SA.

The objectives of the analysis, for each case study property, were to:

- quantify the net financial impact of participation in the Bestprac program;
- qualitatively assess the social and environmental benefits and costs of participation in the Bestprac program; and
- undertake a 'what-if' analysis on the results of the financial analysis to account for the impact of drought.

Some comment has also been provided on the extent to which the results of the analysis for these case study properties can be utilised to evaluate the impact of the Bestprac program nationally.

## 2. Data Collection

The primary source of information for the analysis was direct consultation with the owners of the case study properties. These data were obtained through semi-structured on-farm interviews with the property owners on the 3<sup>rd</sup> April 2007 and subsequent phone and email consultation. The following broad questions were directed towards interviewees.

- Over the period of your participation in Bestprac, describe and quantify any financial benefits that are be directly attributable to your participation in the program.
- Describe and quantify the costs of participation in the program.
- Discuss the nature of any social and environmental benefits (or costs) that are directly attributable to your participation in the program.
- Over the period of your participation in Bestprac, indicate the extent to which these impacts would have differed under average rainfall conditions.

Financial data for the case study properties for the six year study period (2000/01 to 2005/06) were obtained from Rural Directions (Carlyn Mellors, pers. comm.). The data of relevance related to the following financial variables:

- farm income;
- non-farm income;
- variable and overhead costs;
- depreciation;
- interest and bank charges; and
- leasing expenses.



### 3. Method of Analysis

In order to quantify the net financial impact of participation in the Bestprac program for each case study property, this project has employed the use of a financial evaluation. The focus of a financial evaluation is cashflow from the individual business's perspective and it is undertaken to determine if an investment is justified on the grounds of profitability<sup>1</sup>.

The starting point for the financial evaluation was to develop the base case scenario, that is, the benchmark against which the 'with Bestprac' outcome is compared. For the purpose of this evaluation the base case was defined as the 'without Bestprac' scenario or what would have occurred without participation in the program. It is important to note that the base case is not necessarily a 'spend nothing' scenario.

The analysis was conducted over the six year time period, 2000/01 to 2005/06 and the results were expressed in terms of net benefits, that is, the incremental benefits and costs of the 'with Bestprac' scenario relative to those generated by the base case ('without Bestprac') scenario.

Costs and benefits over the period 2000/01 to 2005/06 were specified in real terms (i.e. 2006 dollars) and a discount rate of 8 per cent was used for calculation of present values<sup>2</sup>. A sensitivity analysis was conducted using discount rates of 4 per cent and 10 per cent.

The evaluation criteria employed for the financial evaluation were as follows.

- Net present value (NPV) – discounted program participation benefits less discounted program participation costs. Under this decision rule, participation in the Bestprac program was considered to be financially profitable if the NPV was greater than zero. The NPV for the 'with Bestprac' scenario has been calculated as an incremental NPV, using the standard formulation (Department of Finance 1991):

$$\text{NPV} = (\text{PV ('with Bestprac' benefits} - \text{'without Bestprac' benefits})) - (\text{PV ('with Bestprac' costs} - \text{'without Bestprac' costs}))$$

- Benefit-cost ratio (BCR) – the ratio of the present value of benefits to the present value of costs. Under this decision rule, participation in the Bestprac program was considered to be financially profitable if the BCR was greater than one. The ratio was expressed as:

$$\text{BCR} = \text{PV ('with Bestprac' benefits} - \text{'without Bestprac' benefits}) / \text{PV ('with Bestprac' costs} - \text{'without Bestprac' costs})$$

- Internal rate of return (IRR) – the discount rate at which the NPV of program participation is equal to zero. Under this decision rule, participation in the Bestprac program was considered to be financially profitable if the IRR was greater than the benchmark discount rate (i.e. 8 per cent).
- Payback period – the year in which program participation breaks even.

<sup>1</sup> This is in contrast to a cost benefit analysis which is conducted from the vantage point of the economy as a whole (Department of Finance 1991, p.86).

<sup>2</sup> The present value is the value now of a sum of money arising in the future. Money now is worth more than money in the future because it could be invested now to produce a greater sum in the future. The present value of money in the future is calculated by discounting it at a rate of interest equivalent to the rate at which it could be invested (Bannock et al. 1979).

Sensitivity analysis has been undertaken on the results of the evaluation to account for uncertainty associated with key variables. Breakeven values for these variables (i.e. the value at which the NPV equals zero) have been calculated.

In addition, a 'what-if' analysis on the results of the financial evaluation was undertaken to account for the impact of drought. In other words, estimates of the net financial impact of participation in the Bestprac program have been imputed on the basis of average rainfall over the period of the analysis.

## 4. Case Study 1: Warren and Jane Luckraft, 'The Springs', North of Orroroo, SA

### 4.1 The Scope of Costs and Benefits

As discussed previously, a financial evaluation is conducted from the perspective of cashflow for the individual business. It only includes items for which there is an observable price. A cost benefit analysis on the other hand is concerned with costs and benefits that accrue to the whole community, including those items which cannot be easily valued in monetary terms (e.g. social and environmental costs and benefits).

A key feature of a financial evaluation is the concept of incremental costs and benefits, that is, the valuation of items that are an incremental or additional result of, in this case, participation in the Bestprac Program. This is achieved through the specification of a base case (without Bestprac) scenario and a with Bestprac participation scenario.

Case study 1 was based on the business operated by Warren and Jane Luckraft, 'The Springs', located north of Orroroo in South Australia. Tables 4.1 and 4.2 list, for this business, those items which have been included in the financial evaluation of participation in the Bestprac program and those which have been excluded but discussed in qualitative terms (i.e. the social and environmental costs and benefits). Consideration was given to those benefits and costs that can be either partially or wholly attributable to participation in the Bestprac program and have accrued to the business over the six-year period, 2000/01 to 2005/06.

Table 4.1 The costs to the Luckraft's business of participation in the Bestprac program

Scenario	Cost	Bearer of the Cost	Included in Financial Evaluation	Source of Information
Base case (without Bestprac)	Capital and operating costs without participation in Bestprac program (i.e. excluding costs attributable to improved lambing percentages, increased wool production, modified wool marketing strategies, loan restructuring and diversification of income sources)	Business owners	Yes	Business owners and Rural Directions
With Bestprac	Costs of participation in the Bestprac program (e.g. membership fees, travel, etc.)	Business owners	Yes	Business owners and Rural Directions
	Capital and operating costs with participation in Bestprac program	Business owners	Yes	Business owners and Rural Directions

**Table 4.2** The benefits to the Luckraft's business of participation in the Bestprac program

Scenario	Benefit	Beneficiary	Included in Financial Evaluation	Source of Information
Base case (without Bestprac)	Farm and non-farm income without participation in Bestprac program (i.e. excluding income attributable to improved lambing percentages, increased wool production, modified wool marketing strategies, loan restructuring and diversification of income sources)	Business owners	Yes	Business owners and Rural Directions
With Bestprac	Farm and non-farm income with participation in Bestprac program	Business owners	Yes	Business owners and Rural Directions
	Social: benefits associated with the development of a support network including social interaction, improved levels of confidence, etc.	Business owners and others in Bestprac Group	No	Business owners
	Environmental: reduced soil erosion and improvement in condition of native vegetation associated with shift from set stocking to rotational grazing	Business owners and broader community	No	Business owners

## 4.2 Data and Assumptions Used for Quantifying Costs and Benefits

This section of the report details the method, sources of information and assumptions used to estimate the costs and benefits listed in Tables 4.1 and 4.2.

As outlined in Section 3 of the report, the costs and benefits of participation in the Bestprac program were measured using a 'with' and 'without' participation framework. For the with Bestprac scenario, financial measures such as farm and non-farm income and capital and operating costs were taken as the recorded values over the six year period of the analysis. Financial measures for the base case scenario were estimated on the basis that there was no participation in the Bestprac program

All dollar values for the period 2000/01 to 2005/06 were converted into 2006 dollars using the Consumer Price Index for Adelaide (ABS 2006)<sup>3</sup>.

<sup>3</sup> When converting nominal values to real values it is usual to use the prices of the first year of the analysis. However, when the analysis is undertaken as part of an *ex-post* evaluation, as is the case in this study, the convention is to use the prices of the final year of the analysis (Department of Finance 19991, p.52).

## Farm Income and Costs

Through consultation with the business owners, both face-to-face and subsequent phone and email contact, it was possible to obtain broad estimates of the impact of participation in the Bestprac program on farm and non-farm income and capital and operating costs over the period 2001/01 to 2005/06.

The most significant changes to the business that can be directly attributed in part or full to participation in Bestprac include:

- improved lambing percentages through ram testing and feeding, nutritional management of ewes and changing the timing of lambing<sup>4</sup>;
- increased wool production through improved pasture management (primarily a shift from set stocking to rotational grazing);
- modified wool marketing strategies (i.e. forward contracts and staggering sales);
- restructuring of loans to access a more competitive rate of interest; and
- diversification of income sources (e.g. farm tourism<sup>5</sup> and off-farm income).

Recorded values of the following financial measures for the Luckraft's business for the period of the analysis were obtained directly from Rural Directions (Carlyn Mellors, pers. comm.):

- farm income;
- non-farm income;
- variable and overhead costs;
- depreciation;
- interest and bank charges; and
- leasing expenses.

These data were compiled in a spreadsheet along with a facility for indicating the difference (in percentage or dollar terms) in each measure in each year that might have occurred without participation in Bestprac. This spreadsheet was emailed to the business owners and explanation was provided as to the nature of the information being sought.

It is difficult in an *ex-post* analysis of this type to separately identify the impact of specific management changes attributable to the Bestprac program from the impact of those that would have otherwise occurred, the impact of those attributable to other extension programs (e.g. *Grazing for Profit*) or from the impact of external influences (e.g. seasonal conditions). Thus, estimates of the farm-level impact of Bestprac (summarised for the Luckraft's business in Appendix Table 1.1), and the results of the analysis, need to be interpreted with caution. Sensitivity analysis on the results of the financial evaluation has been undertaken to account for some of the uncertainty in key variables.

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<sup>4</sup> It was assumed that 50 per cent of the increase in farm income as a result of improved lambing percentages was attributable to participation in Bestprac and the balance to participation in the *Grazing for Profit* group (Jane Luckraft, pers. comm.).

<sup>5</sup> The establishment of the farm tourism business can only be partially attributed to participation in Bestprac.

## Costs of participation in the Bestprac Program

Costs of participation in the Bestprac Program include annual membership fees and the travel and time costs associated with attending Bestprac meetings/workshops. It was assumed that:

- the membership fee for the Bestprac program for the period 2000/01 to 2005/06 was \$400 per annum;
- participants (husband and wife) attended 4 meetings per annum which required an approximate round trip of 200km per meeting;
- travel costs were estimated to be \$0.60 per kilometre;
- the opportunity cost of time spent at meetings/workshops was imputed as the product of the number of participants per business (2), time spent at meetings and in transit (10 hours) and an estimate of the opportunity cost of time in work (\$20 per hour)<sup>6</sup>.

## Social and Environmental Benefits

There are a number of farm-level social and environmental benefits that the Luckrafts were able to attribute to participation in the Bestprac program. For example:

- participation in meetings and workshops has facilitated the development of a support network with benefits that include social interaction and improved levels of confidence in decision making and in the pursuit of new opportunities and technologies; and
- the shift from set stocking to rotational grazing has led to significant environmental benefits such as reduced soil erosion and an improvement in the condition of native vegetation.

There is a wide range of techniques available (e.g. the contingent valuation method and travel cost method) to estimate non-market values (e.g. Department for Environment, Heritage and Aboriginal Affairs (1999)). Values can be ascertained by measuring, for example, an individual's willingness to pay to maintain an existing environmental amenity or their willingness to accept compensation for the loss of an amenity. However, the use of these techniques was beyond the scope of this study and the non-market values attached to social and environmental benefits were not estimated for the purpose of this analysis.

## 4.3 Results of the Financial Evaluation

### 4.3.1 Key indicators

The results of the analysis using the assumptions outlined above are provided in Table 4.3. A detailed spreadsheet for the financial evaluation is provided in Appendix 2.

---

<sup>6</sup> The valuation of time is a difficult concept. The use of \$20 per hour is an approximation of the opportunity cost of time in work for the average person (i.e. an approximation of the average wage rate).

**Table 4.3** Financial evaluation of the impact on the Luckraft's business of participation in the Bestprac program

Net Present Value (\$'000) <sup>a</sup>	Benefit Cost Ratio	Internal Rate of Return <sup>b</sup>
86	2.0	Undefined

<sup>a</sup> In 2006 dollars.

<sup>b</sup> Undefined unless the net benefit in year 1 of the analysis is negative.

Source: EconSearch analysis.

It was estimated that the incremental benefits to the Luckraft's business of participation in the Bestprac program over the period 2000/01 to 2005/06 exceeded the incremental costs. The net financial benefits of participation were estimated to have a present value in 2006 dollars (i.e. NPV) of approximately \$86,000, with a benefit cost ratio (BCR) of 2.0.

Based on the information provided by the business owners, the payback period (i.e. the year in which program participation breaks even) was year 1 of the analysis (i.e. 2000/01).

Furthermore, the existence of unquantified net social and environmental benefits associated with participation in the Bestprac program implies that the result of the financial evaluation understates the true worth to the Luckraft's business of participation in the program.

#### 4.3.2 Sensitivity analysis

The results of the cost-benefit analysis were re-estimated using different values for the discount rate (i.e. 4 and 10 per cent) to account for the uncertainty associated with that variable. The results of this sensitivity analysis are presented in Table 4.4.

**Table 4.4** Sensitivity of the results of the financial evaluation to changes in the discount rate

Discount rate	Net Present Value (\$'000) <sup>a</sup>	Benefit-Cost Ratio	Internal Rate of Return <sup>b</sup>
4%	97	2.0	Undefined
8%	86	2.0	Undefined
10%	82	2.0	Undefined

<sup>a</sup> In 2006 dollars.

<sup>b</sup> Undefined unless the net benefit in year 1 of the analysis is negative.

Source: EconSearch analysis.

The results of the financial evaluation for the Luckraft's business are insensitive to the discount rate used in the analysis. At all discount rates (4, 8 and 10 per cent) and holding all other variables constant, the incremental benefits of participation in the Bestprac program would be greater than the incremental costs of (NPVs of \$97,000, \$86,000 and \$82,000, respectively).

Another key uncertain variable in the analysis was the change in farm income attributable to participation in Bestprac. As illustrated in Appendix Table 2.1, based on information provided by the business owners, it was assumed that farm income would have been between 9 and 20 per cent lower over the period of the analysis without Bestprac participation. The breakeven change in farm income (i.e. where NPV=0), all other variables held constant, is approximately 7 per cent per annum.

#### **4.3.3 'What if' analysis – the impact of drought**

Whilst it is clear that the Luckraft's business has suffered from the impact of drought over the period 2000/01 to 2005/06, it was very difficult to quantify the impact that participation in Bestprac may have had on the business on the basis of average rainfall over that period.

Based on consultation with the business owners, it was estimated that farm income over the period of analysis would have been, on average, approximately 25 to 30 greater, if average rainfall had been received. Given the nature of the changes introduced by the Luckrafts as a result of participation in Bestprac (e.g. improved pasture and nutritional management), it is likely that the increase in farm income would have been greater if average rainfall conditions had prevailed.

Thus the net financial benefits of participation in Bestprac for the Luckraft's business in the situation where average rainfall had been received would likely be greater than the \$86,000 (NPV) reported in Table 4.3.



## 5. Case Study 2: Ian and Sue Warnes, 'Woolgangi Station', East of Burra, SA

### 5.1 The Scope of Costs and Benefits

As discussed previously, a financial evaluation is conducted from the perspective of cashflow for the individual business. It only includes items for which there is an observable price. A cost benefit analysis on the other hand is concerned with costs and benefits that accrue to the whole community, including those items which cannot be easily valued in monetary terms (e.g. social and environmental costs and benefits).

A key feature of a financial evaluation is the concept of incremental costs and benefits, that is, the valuation of items that are an incremental or additional result of, in this case, participation in the Bestprac Program. This is achieved through the specification of a base case (without Bestprac) scenario and a with Bestprac participation scenario.

Case study 2 was based on the business operated by Ian and Sue Warnes, 'Woolgangi Station', located east of Burra in South Australia. Tables 5.1 and 5.2 list, for this business, those items which have been included in the financial evaluation of participation in the Bestprac program and those which have been excluded but discussed in qualitative terms (i.e. the social and environmental costs and benefits). Consideration was given to those benefits and costs that can be either partially or wholly attributable to participation in the Bestprac program and have accrued to the business over the six-year period, 2000/01 to 2005/06.

Table 5.1 The costs to the Warnes' business of participation in the Bestprac program

Scenario	Cost	Bearer of the Cost	Included in Financial Evaluation	Source of Information
Base case (without Bestprac)	Capital and operating costs without participation in Bestprac program (i.e. excluding costs attributable to supplementary paddock feeding of sheep, lotfeeding lambs and modified wool marketing strategies)	Business owners	Yes	Business owners and Rural Directions
With Bestprac	Costs of participation in the Bestprac program (e.g. membership fees, travel, etc.)	Business owners	Yes	Business owners and Rural Directions
	Capital and operating costs with participation in Bestprac program	Business owners	Yes	Business owners and Rural Directions

**Table 5.2** The benefits to the Warnes' business of participation in the Bestprac program

Scenario	Benefit	Beneficiary	Included in Financial Evaluation	Source of Information
Base case (without Bestprac)	Farm and non-farm income without participation in Bestprac program (i.e. excluding income attributable to supplementary paddock feeding of sheep, lotfeeding lambs and modified wool marketing strategies)	Business owners	Yes	Business owners and Rural Directions
With Bestprac	Farm and non-farm income with participation in Bestprac program	Business owners	Yes	Business owners and Rural Directions
	Social: benefits associated with the development of a support network including social interaction, improved levels of confidence, etc.	Business owners and others in Bestprac Group	No	Business owners
	Environmental: improvement in condition of native vegetation around watering points and decrease in wind erosion	Business owners and broader community	No	Business owners

## 5.2 Data and Assumptions Used for Quantifying Costs and Benefits

This section of the report details the method, sources of information and assumptions used to estimate the costs and benefits listed in Tables 5.1 and 5.2.

As outlined in Section 3 of the report, the costs and benefits of participation in the Bestprac program were measured using a 'with' and 'without' participation framework. For the with Bestprac scenario, financial measures such as farm and non-farm income and capital and operating costs were taken as the recorded values over the six year period of the analysis. Financial measures for the base case scenario were estimated on the basis that there was no participation in the Bestprac program

All dollar values for the period 2000/01 to 2005/06 were converted into 2006 dollars using the Consumer Price Index for Adelaide (ABS 2006)<sup>7</sup>.

### Farm Income and Costs

Through consultation with the business owners, both face-to-face and subsequent phone and email contact, it was possible to obtain broad estimates of the impact of participation in the Bestprac program on farm and non-farm income and capital and operating costs over the period 2001/01 to 2005/06.

<sup>7</sup> When converting nominal values to real values it is usual to use the prices of the first year of the analysis. However, when the analysis is undertaken as part of an *ex-post* evaluation, as is the case in this study, the convention is to use the prices of the final year of the analysis (Department of Finance 19991, p.52).

The most significant changes to the business that can be directly attributed to participation in Bestprac include:

- reduced mortalities through the supplementary paddock feeding of sheep;
- lotfeeding lambs for specific market niches; and
- modified wool marketing strategies (i.e. forward contracts).

Recorded values of the following financial measures for the Warnes' business for the period of the analysis were obtained directly from Rural Directions (Carlyn Mellors, pers. comm.):

- farm income;
- non-farm income;
- variable and overhead costs;
- depreciation;
- interest and bank charges; and
- leasing expenses.

These data were compiled in a spreadsheet along with a facility for indicating the difference (in percentage or dollar terms) in each measure in each year that might have occurred without participation in Bestprac. This spreadsheet was emailed to the business owners and explanation was provided as to the nature of the information being sought.

It is difficult in an *ex-post* analysis of this type to separately identify the impact of specific management changes attributable to the Bestprac program from the impact of those that would have otherwise occurred, the impact of those attributable to other extension programs (e.g. *CENTAFAC*) or from the impact of external influences (e.g. seasonal conditions). Thus, estimates of the farm-level impact of Bestprac (summarised for the Warnes' business in Appendix Table 1.2), and the results of the analysis, need to be interpreted with caution. Sensitivity analysis on the results of the financial evaluation has been undertaken to account for some of the uncertainty in key variables.

### **Costs of participation in the Bestprac Program**

Costs of participation in the Bestprac Program include annual membership fees and the travel and time costs associated with attending Bestprac meetings/workshops. It was assumed that:

- the membership fee for the Bestprac program for the period 2000/01 to 2005/06 was \$400 per annum;
- participants (husband and wife) attended 4 meetings per annum which required an approximate round trip of 200km per meeting;
- travel costs were estimated to be \$0.60 per kilometre;
- the opportunity cost of time spent at meetings/workshops was imputed as the product of the number of participants per business (2), time spent at meetings and in transit (10 hours) and an estimate of the opportunity cost of time in work (\$20 per hour).

## Social and Environmental Benefits

There are a number of farm-level social and environmental benefits that the Warnes were able to attribute to participation in the Bestprac program. For example:

- participation in meetings and workshops has facilitated the development of a support network with benefits that include social interaction and improved levels of confidence in decision making and in the pursuit of new opportunities and technologies; and
- management changes introduced as a result of participation in Bestprac have led to improvement in the condition of native vegetation around watering points and a decrease in wind erosion.

There is a wide range of techniques available (e.g. the contingent valuation method and travel cost method) to estimate non-market values (e.g. Department for Environment, Heritage and Aboriginal Affairs (1999)). Values can be ascertained by measuring, for example, an individual's willingness to pay to maintain an existing environmental amenity or their willingness to accept compensation for the loss of an amenity. However, the use of these techniques was beyond the scope of this study and the non-market values attached to social and environmental benefits were not estimated for the purpose of this analysis.

## 5.3 Results of the Financial Evaluation

### 5.3.1 Key indicators

The results of the analysis using the assumptions outlined above are provided in Table 5.3. A detailed spreadsheet for the financial evaluation is provided in Appendix 2.

Table 5.3 Financial evaluation of the impact on the Warnes' business of participation in the Bestprac program

Net Present Value (\$'000) <sup>a</sup>	Benefit Cost Ratio	Internal Rate of Return <sup>b</sup>
26	1.3	Undefined

<sup>a</sup> In 2006 dollars.

<sup>b</sup> Undefined unless the net benefit in year 1 of the analysis is negative.

Source: EconSearch analysis.

It was estimated that the incremental benefits to the Warnes' business of participation in the Bestprac program over the period 2000/01 to 2005/06 exceeded the incremental costs. The net financial benefits of participation were estimated to have a present value in 2006 dollars (i.e. NPV) of approximately \$26,000, with a BCR of 1.3.

Based on the information provided by the business owners, the payback period (i.e. the year in which program participation breaks even) was year 1 of the analysis (i.e. 2000/01).

Furthermore, the existence of unquantified net social and environmental benefits associated with participation in the Bestprac program implies that the result of the financial evaluation understates the true worth to the Warnes' business of participation in the program.

### 5.3.2 Sensitivity analysis

The results of the cost-benefit analysis were re-estimated using different values for the discount rate (i.e. 4 and 10 per cent) to account for the uncertainty associated with that variable. The results of this sensitivity analysis are presented in Table 5.4.

Table 5.4 Sensitivity of the results of the financial evaluation to changes in the discount rate

Discount rate	Net Present Value (\$'000) <sup>a</sup>	Benefit-Cost Ratio	Internal Rate of Return <sup>b</sup>
4%	28	1.3	Undefined
8%	26	1.3	Undefined
10%	24	1.3	Undefined

<sup>a</sup> In 2006 dollars.

<sup>b</sup> Undefined unless the net benefit in year 1 of the analysis is negative.

Source: EconSearch analysis.

The results of the financial evaluation for the Warnes' business are insensitive to the discount rate used in the analysis. At all discount rates (4, 8 and 10 per cent) and holding all other variables constant the incremental benefits of participation in the Bestprac program would be greater than the incremental costs of (NPVs of \$24,000, \$26,000 and \$28,000, respectively).

Another key uncertain variable in the analysis was the change in farm income attributable to participation in Bestprac. As illustrated in Appendix Table 2.2, based on information provided by the business owners, it was assumed that farm income would have been 9 to 10 per cent lower in all years of the analysis without Bestprac participation. The breakeven change in farm income (i.e. where NPV=0), all other variables held constant, is approximately 7 per cent per annum.

### 5.3.3 'What if' analysis – the impact of drought

Whilst it is clear that the Warnes' business has suffered from the impact of drought over the period 2000/01 to 2005/06, it was very difficult to quantify the impact that participation in Bestprac may have had on the business on the basis of average rainfall over that period.

Based on consultation with the business owners, it was estimated that farm income would be approximately \$100,000 per annum greater if average rainfall had been received, the business would probably be debt free and the annual repair and maintenance program would have been undertaken. However, this would probably be the case with or without Bestprac participation.

Given that one of the most significant management changes introduced by the Warnes as a result of participation in Bestprac is a drought mitigation strategy (i.e. the supplementary paddock feeding of sheep), it is likely that this change would not have been introduced if average seasons had prevailed. Thus, it is possible that the net financial benefits of participation in Bestprac for the Warnes' business in the situation where average rainfall had been received would be less than the \$26,000 (NPV) reported in Table 5.3.

If, however, the lotfeeding of lambs was significantly expanded in a non-drought situation or there were significant financial benefits from forward contracts of a larger woolclip, it is possible that the net financial benefits of participation in Bestprac for the Warnes' business in the situation where average rainfall had been received would be greater than the \$26,000 (NPV) reported in Table 5.3.

## 6. Conclusions

The results of the financial evaluations conducted for this study need to be interpreted with some caution, given the difficulties associated with attributing changes in the financial structure (i.e. costs and benefits) of a farm business specifically to an extension program.

For example, it is possible that the farm and business management changes for the two case study properties described in this analysis would have been introduced without participation in Bestprac and the impact of the program has merely been to bring forward these changes. It is also possible that without participation in Bestprac other sources of information (e.g. other extension programs or rural media) may have been available to property owners and contributed to similar management changes to those brought about by Bestprac. The difficulties that the business owners had in providing precise responses (see Appendix 1) reflected these and other difficulties of interpretation.

The extent to which the results of the analysis for these case study properties can be utilised to evaluate the impact of the Bestprac program nationally is dependent upon:

- the difficulties of interpretation alluded to above; and
- the extent to which the case study businesses selected for this analysis are broadly representative of other participants in the Bestprac program.

Given the modest costs associated with participation in the program (i.e. membership, travel and time), it is likely that there are net financial benefits attributable to most participating businesses, particularly for those that have continued their membership through the life of the program.

## References

Australian Bureau of Statistics (ABS) 2006, *Consumer Price Index, Australia*, Cat. No. 6401.0.

Bannock, G., Baxter, R.E. and Rees, R. 1979, *The Penguin Dictionary of Economics*, Penguin Books, Middlesex.

Department for Environment, Heritage and Aboriginal Affairs 1999, *Application of Environmental Valuation in South Australia*, report of the Environmental Valuation Working Group to the Natural Resources Council.

Department of Finance 1991, *Handbook of Cost-Benefit Analysis*, AGPS, Canberra.



## Appendix 1 Estimates of the Farm-Level Impact of Bestprac on Key Financial Variables

Appendix Table 1.1 Estimates of the financial impact of participation in the Bestprac program on the Luckraft's business <sup>a</sup>

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
<b>Farm income</b>						
actual (\$)	\$192,056	\$239,111	\$235,444	\$235,753	\$301,503	\$320,391
without Bestprac participation (\$)	\$169,009	\$215,584	\$213,750	\$213,905	\$246,780	\$256,224
difference from actual without Bestprac participation (your estimate)						
\$	-\$23,047	-\$23,528	-\$21,694	-\$21,849	-\$54,724	-\$64,168
percentage	-12%	-10%	-9%	-9%	-18%	-20%
<b>Non farm income</b>						
actual (\$)	\$32,141	\$25,500	\$2,616	\$0	\$30,662	\$0
without Bestprac participation (\$)	\$32,141	\$25,500	\$2,616	\$0	\$30,662	\$0
difference from actual without Bestprac participation (your estimate)						
\$	\$0	\$0	\$0	\$0	\$0	\$0
percentage	0%	0%	0%	0%	0%	0%
<b>Variable and Overhead Costs</b>						
actual (\$)	\$163,680	\$188,123	\$141,136	\$178,556	\$222,426	\$268,117
without Bestprac participation (\$)	\$163,680	\$188,123	\$141,136	\$178,556	\$222,426	\$268,117
difference from actual without Bestprac participation (your estimate)						
\$	\$0	\$0	\$0	\$0	\$0	\$0
percentage	0%	0%	0%	0%	0%	0%
<b>EBITDA</b>						
actual (\$)	\$28,376	\$50,988	\$94,308	\$57,197	\$79,077	\$52,274
without Bestprac participation (\$)	\$5,329	\$27,461	\$72,614	\$35,349	\$24,354	-\$11,894
<b>Depreciation</b>						
actual (\$)	\$15,000	\$12,000	\$15,000	\$18,700	\$25,425	\$25,999
without Bestprac participation (\$)	\$7,500	\$6,000	\$7,500	\$9,350	\$12,713	\$13,000
difference from actual without Bestprac participation (your estimate)						
\$	-\$7,500	-\$6,000	-\$7,500	-\$9,350	-\$12,713	-\$13,000
percentage	-50%	-50%	-50%	-50%	-50%	-50%
<b>Interest and Bank Charges</b>						
actual (\$)	\$25,404	\$26,672	\$20,337	\$17,586	\$31,757	\$52,337
without Bestprac participation (\$)	\$25,912	\$27,205	\$20,744	\$17,938	\$32,392	\$53,384
difference from actual without Bestprac participation (your estimate)						
\$	\$508	\$533	\$407	\$352	\$635	\$1,047
percentage	2%	2%	2%	2%	2%	2%
<b>Leasing Expenses</b>						
actual (\$)	\$470	\$0	\$7,974	\$14,792	\$11,739	\$7,192
without Bestprac participation (\$)	\$47	\$0	\$797	\$1,479	\$1,174	\$719
difference from actual without Bestprac participation (your estimate)						
\$	-\$423	\$0	-\$7,177	-\$13,313	-\$10,565	-\$6,473
percentage	-90%	-90%	-90%	-90%	-90%	-90%

<sup>a</sup> This is a copy of the spreadsheet emailed to the business owners subsequent to the initial on-farm consultation. Some feedback was sought for the sections highlighted in green.

Appendix Table 1.2 Estimates of the financial impact of participation in the Bestprac program on the Warnes' business <sup>a</sup>

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
<b>Farm income</b>						
actual (\$)	\$163,406	\$192,284	\$196,110	\$204,377	\$209,943	\$200,657
without Bestprac participation (\$)	\$148,699	\$174,978	\$178,460	\$184,961	\$188,949	\$180,591
difference from actual without Bestprac participation (your estimate)						
\$	-\$14,707	-\$17,306	-\$17,650	-\$19,416	-\$20,994	-\$20,066
percentage	-9%	-9%	-9%	-10%	-10%	-10%
<b>Non farm income</b>						
actual (\$)	\$22,817	\$40,179	\$9,254	\$58,884	-\$3,428	\$2,028
without Bestprac participation (\$)	\$22,361	\$39,375	\$9,069	\$57,706	-\$3,531	\$1,987
difference from actual without Bestprac participation (your estimate)						
\$	-\$456	-\$804	-\$185	-\$1,178	-\$103	-\$41
percentage	-2%	-2%	-2%	-2%	-3%	-2%
<b>Variable and Overhead Costs</b>						
actual (\$)	\$112,418	\$97,976	\$138,913	\$125,300	\$157,669	\$134,943
without Bestprac participation (\$)	\$105,673	\$92,097	\$131,967	\$117,782	\$149,786	\$128,196
difference from actual without Bestprac participation (your estimate)						
\$	-\$6,745	-\$5,879	-\$6,946	-\$7,518	-\$7,883	-\$6,747
percentage	-6%	-6%	-5%	-6%	-5%	-5%
<b>EBITDA</b>						
actual (\$)	\$50,988	\$94,308	\$57,197	\$79,077	\$52,274	\$65,714
without Bestprac participation (\$)	\$43,027	\$82,881	\$46,493	\$67,179	\$39,163	\$52,395
<b>Depreciation</b>						
actual (\$)	\$11,000	\$7,651	\$5,000	\$7,500	\$7,648	\$6,034
without Bestprac participation (\$)	\$11,000	\$7,651	\$5,000	\$4,000	\$4,148	\$3,504
difference from actual without Bestprac participation (your estimate)						
\$	\$0	\$0	\$0	-\$3,500	-\$3,500	-\$2,530
percentage	0%	0%	0%	-47%	-46%	-42%
<b>Interest and Bank Charges</b>						
actual (\$)	\$42,425	\$40,542	\$27,993	\$30,766	\$33,538	\$41,724
without Bestprac participation (\$)	\$39,031	\$37,299	\$25,754	\$27,997	\$30,520	\$37,552
difference from actual without Bestprac participation (your estimate)						
\$	-\$3,394	-\$3,243	-\$2,239	-\$2,769	-\$3,018	-\$4,172
percentage	-8%	-8%	-8%	-9%	-9%	-10%
<b>Leasing Expenses</b>						
actual (\$)	\$0	\$0	\$0	\$0	\$0	\$0
without Bestprac participation (\$)	\$0	\$0	\$0	\$0	\$0	\$0
difference from actual without Bestprac participation (your estimate)						
\$	\$0	\$0	\$0	\$0	\$0	\$0
percentage	0%	0%	0%	0%	0%	0%

<sup>a</sup> This is a copy of the spreadsheet emailed to the business owners subsequent to the initial on-farm consultation. Some feedback was sought for the sections highlighted in green.

## Appendix 2 Financial Evaluation: Detailed Spreadsheets Using Base Assumptions

Appendix Table 2.1 Financial evaluation of participation in the Bestprac program on the Luckraft's business

	Present Value	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
<b>Base Case (Without Bestprac)</b>							
<b>Benefits (\$)</b>							
Farm income	1,175,956	199,520	247,638	236,069	229,329	256,208	256,224
Non-farm income	90,941	37,943	29,292	2,889	0	31,834	0
<b>Total Benefits (\$)</b>	<b>1,266,897</b>	<b>237,463</b>	<b>276,930</b>	<b>238,958</b>	<b>229,329</b>	<b>288,042</b>	<b>256,224</b>
<b>Costs (\$)</b>							
Variable and overhead costs	1,031,128	193,228	216,095	155,873	191,431	230,924	268,117
Depreciation	48,843	8,854	6,892	8,283	10,024	13,198	13,000
Interest and bank charges	155,484	30,590	31,251	22,910	19,231	33,630	53,384
Leasing expenses	3,455	55	0	881	1,586	1,219	719
<b>Total Costs (\$)</b>	<b>1,238,910</b>	<b>232,727</b>	<b>254,237</b>	<b>187,946</b>	<b>222,273</b>	<b>278,971</b>	<b>335,219</b>
<b>With Bestprac</b>							
<b>Benefits (\$)</b>							
Farm income	1,352,754	226,727	274,664	260,028	252,753	313,023	320,391
Non-farm income	90,941	37,943	29,292	2,889	0	31,834	0
<b>Total Benefits (\$)</b>	<b>1,443,695</b>	<b>264,670</b>	<b>303,955</b>	<b>262,917</b>	<b>252,753</b>	<b>344,856</b>	<b>320,391</b>
<b>Costs (\$)</b>							
Variable and overhead costs	1,031,128	193,228	216,095	155,873	191,431	230,924	268,117
Depreciation	97,686	17,708	13,784	16,566	20,048	26,396	25,999
Interest and bank charges	152,436	29,990	30,638	22,460	18,854	32,970	52,337
Leasing expenses	34,547	555	0	8,807	15,859	12,188	7,192
Costs of participation in Bestprac program	13,605	2,928	2,849	2,739	2,659	2,575	2,480
<b>Total Costs (\$)</b>	<b>1,329,401</b>	<b>244,409</b>	<b>263,365</b>	<b>206,445</b>	<b>248,851</b>	<b>305,054</b>	<b>356,125</b>
<b>Incremental Benefits (\$)</b>	<b>176,798</b>	<b>27,207</b>	<b>27,026</b>	<b>23,959</b>	<b>23,424</b>	<b>56,814</b>	<b>64,168</b>
<b>Incremental Costs (\$)</b>	<b>90,491</b>	<b>11,681</b>	<b>9,128</b>	<b>18,499</b>	<b>26,579</b>	<b>26,082</b>	<b>20,906</b>
<b>Net Benefits (NPV) (\$)</b>	<b>86,307</b>	<b>15,526</b>	<b>17,898</b>	<b>5,460</b>	<b>-3,155</b>	<b>30,732</b>	<b>43,262</b>
<b>BCR</b>	<b>1.95</b>						
<b>IRR (%) <sup>a</sup></b>	<b>Undefined</b>						
<b>Discount Rate (%)</b>	<b>8%</b>						

Appendix Table 2.2 Financial evaluation of participation in the Bestprac program on the Warnes' business

	Present Value	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
<b>Base Case (Without Bestprac)</b>							
<b>Benefits (\$)</b>							
Farm income	955,139	175,543	200,996	197,094	198,299	196,168	180,591
Non-farm income	124,635	26,397	45,230	10,016	61,867	-3,666	1,987
<b>Total Benefits (\$)</b>	<b>1,079,774</b>	<b>201,941</b>	<b>246,226</b>	<b>207,110</b>	<b>260,166</b>	<b>192,502</b>	<b>182,579</b>
<b>Costs (\$)</b>							
Variable and overhead costs	649,451	124,749	105,791	145,747	126,275	155,509	128,196
Depreciation	34,812	12,986	8,789	5,522	4,288	4,306	3,504
Interest and bank charges	182,807	46,077	42,845	28,443	30,016	31,686	37,552
Leasing expenses	0	0	0	0	0	0	0
<b>Total Costs (\$)</b>	<b>867,071</b>	<b>183,812</b>	<b>157,424</b>	<b>179,711</b>	<b>160,579</b>	<b>191,501</b>	<b>169,251</b>
<b>With Bestprac</b>							
<b>Benefits (\$)</b>							
Farm income	1,053,821	192,905	220,874	216,587	219,114	217,965	200,657
Non-farm income	127,312	26,936	46,153	10,220	63,130	-3,559	2,028
<b>Total Benefits (\$)</b>	<b>1,181,132</b>	<b>219,841</b>	<b>267,027</b>	<b>226,807</b>	<b>282,244</b>	<b>214,406</b>	<b>202,685</b>
<b>Costs (\$)</b>							
Variable and overhead costs	687,249	132,712	112,544	153,418	134,335	163,693	134,943
Depreciation	42,184	12,986	8,789	5,522	8,041	7,940	6,034
Interest and bank charges	199,884	50,084	46,570	30,916	32,985	34,819	41,724
Leasing expenses	0	0	0	0	0	0	0
Costs of participation in Bestprac program	13,605	2,928	2,849	2,739	2,659	2,575	2,480
<b>Total Costs (\$)</b>	<b>942,921</b>	<b>198,709</b>	<b>170,751</b>	<b>192,594</b>	<b>178,019</b>	<b>209,028</b>	<b>185,181</b>
<b>Incremental Benefits (\$)</b>	<b>101,358</b>	<b>17,900</b>	<b>20,802</b>	<b>19,697</b>	<b>22,078</b>	<b>21,903</b>	<b>20,106</b>
<b>Incremental Costs (\$)</b>	<b>75,851</b>	<b>14,897</b>	<b>13,327</b>	<b>12,883</b>	<b>17,440</b>	<b>17,527</b>	<b>15,930</b>
<b>Net Benefits (NPV) (\$)</b>	<b>25,508</b>	<b>3,003</b>	<b>7,475</b>	<b>6,814</b>	<b>4,639</b>	<b>4,376</b>	<b>4,177</b>
<b>BCR</b>	<b>1.34</b>						
<b>IRR (%)<sup>a</sup></b>	<b>Undefined</b>						
<b>Discount Rate (%)</b>	<b>8%</b>						

## 9.5 Administrative Report

### Total Funds

Total Funds for the three years of this project:

<b>Summary</b>	
MLA	\$237,600.00
AWI	\$1,028,146.92
FarmBis	\$126,993.07
Participants	\$276,000.00
Other	\$366,754.80
PIRD	\$54,000.00
	<b>\$2,089,494.79</b>

<b>Date</b>	<b>Payment Details</b>	<b>Amount</b>
<b>MLA</b>		
8/06/04	2004 Project Contribution	\$72,000.00
18/05/05	Administration Payment	\$12,000.00
6/07/05	2005 Project Contribution	\$64,000.00
5/01/06	Administration Payment	\$12,000.00
15/06/06	2006 Project Contribution	\$77,600.00
		<b>\$237,600.00</b>
<b>AWI</b>		
16/06/03	Payment 1	\$81,394.97
25/11/03	Variation to Payment 1	\$4,283.94
25/11/03	Payment 2	\$85,678.91
25/11/03	Payment 3	\$85,678.91
20/05/04	Payment 4	\$85,678.91
3/06/04	Payment 5	\$85,678.91
7/09/04	Payment 6	\$85,678.91
29/11/04	Payment 7	\$85,678.91
28/02/05	Payment 8	\$85,678.91
1/05/05	Payment 9	\$85,678.91
1/06/05	Payment 10	\$85,678.91
17/01/06	Payment 11	\$85,678.91
6/06/06	Payment 12	\$85,678.91
		<b>\$1,028,146.92</b>

<b>Prudential Rural Finance (FarmBis SA)</b>		
13/05/04	Carrieton Bestprac Group	\$758.20
1/09/04	Carrieton Bestprac Group	\$758.20
20/09/04	Carrieton Bestprac Group	\$613.70
6/12/04	Carrieton Bestprac Group	\$758.20
6/12/04	Carrieton Bestprac Group	\$758.20
3/06/05	Carrieton Bestprac Group	\$2,266.18
30/06/05	Carrieton Bestprac Group	\$2,492.18
19/12/05	Carrieton Bestprac Group	\$3,172.65
11/04/06	Carrieton Bestprac Group	\$2,265.91
5/07/06	Carrieton Bestprac Group	\$2,492.91
5/10/06	Carrieton Bestprac Group	\$2,719.42
12/01/07	Carrieton Bestprac Group	\$1,586.14
6/03/07	Carrieton Bestprac Group	\$2,266.18
14/06/07	Carrieton Bestprac Group	\$3,399.27
29/09/07	Carrieton Bestprac Group	\$2,265.91
13/05/04	Yunta Bestprac Group	\$525.30
19/08/04	Yunta Bestprac Group	\$525.30
6/12/04	Yunta Bestprac Group	\$525.30
6/12/04	Yunta Bestprac Group	\$525.30
30/06/05	Yunta Bestprac Group	\$1,812.95
30/06/05	Yunta Bestprac Group	\$2,266.18
4/08/05	Yunta Bestprac Group	\$1,586.33
19/12/05	Yunta Bestprac Group	\$1,586.33
11/04/06	Yunta Bestprac Group	\$1,812.73
21/06/06	Yunta Bestprac Group	\$1,812.73
21/08/06	Yunta Bestprac Group	\$2,265.91
14/12/06	Yunta Bestprac Group	\$1,586.14
6/03/07	Yunta Bestprac Group	\$1,812.95
14/06/07	Yunta Bestprac Group	\$1,586.33
5/09/05	NEED Bestprac Group	\$2,492.80
16/03/06	NEED Bestprac Group	\$2,265.91
15/04/06	NEED Bestprac Group	\$1,586.14
21/05/06	NEED Bestprac Group	\$2,492.80
21/08/06	NEED Bestprac Group	\$2,039.32
27/11/06	NEED Bestprac Group	\$2,492.50
6/03/07	NEED Bestprac Group	\$1,812.95
14/05/07	NEED Bestprac Group	\$2,265.91
19/08/04	Eastern District Bestprac Group	\$460.70
23/11/04	Eastern District Bestprac Group	\$921.40
7/04/04	North Eastern Bestprac Group	\$460.70
30/06/04	North Eastern Bestprac Group	\$537.48
8/09/04	North Eastern Bestprac Group	\$614.26
13/12/04	North Eastern Bestprac Group	\$614.26
30/04/04	Hawker Bestprac Group	\$545.70
28/06/04	Hawker Bestprac Group	\$545.70
9/11/04	Hawker Bestprac Group	\$1,255.91
21/12/04	Hawker Bestprac Group	\$545.70

15/06/05	Hawker Bestprac Group	\$1,812.95
25/01/06	Hawker Bestprac Group	\$1,586.33
21/06/06	Hawker Bestprac Group	\$1,586.14
5/08/06	Hawker Bestprac Group	\$1,586.33
23/08/06	Hawker Bestprac Group	\$1,812.91
25/09/06	Hawker Bestprac Group	\$1,132.95
30/10/06	Hawker Bestprac Group	\$1,132.95
21/02/07	Hawker Bestprac Group	\$1,812.73
30/04/04	Blinman Bestprac Group	\$375.70
28/06/04	Blinman Bestprac Group	\$375.70
22/12/04	Blinman Bestprac Group	\$375.70
15/06/05	Blinman Bestprac Group	\$1,133.09
5/10/05	Blinman Bestprac Group	\$906.47
25/01/06	Blinman Bestprac Group	\$1,359.71
30/01/06	Blinman Bestprac Group	\$1,132.95
21/06/06	Blinman Bestprac Group	\$1,132.95
25/09/06	Blinman Bestprac Group	\$1,359.55
4/12/06	Blinman Bestprac Group	\$679.77
30/04/04	Orroroo Bestprac Group	\$613.70
22/07/04	Orroroo Bestprac Group	\$613.70
28/10/04	Orroroo Bestprac Group	\$613.70
15/06/05	Orroroo Bestprac Group	\$2,492.80
23/08/05	Orroroo Bestprac Group	\$2,266.14
5/10/05	Orroroo Bestprac Group	\$1,812.95
2/03/06	Orroroo Bestprac Group	\$1,812.95
21/08/06	Orroroo Bestprac Group	\$11,359.55
5/03/07	Orroroo Bestprac Group	\$11,359.53
		<b>\$126,993.07</b>
<b>Participant Contribution</b>		
2006 - 2007	230 businesses x \$400/busines	\$92,000.00
2005 - 2006	230 businesses x \$400/busines	\$92,000.00
2004 - 2005	230 businesses x \$400/busines	\$92,000.00
		<b>\$276,000.00</b>
<b>Other Projects (Leveraging off the Bestprac Network)</b>		
2007	NHT Funding for Water Testing	\$26,644.80
2007	NHT Funding for B12 Blood Testing	\$5,110.00
2006 - 2008	NLP Grazing Management Project	\$300,000.00
2007	Participative Action Research Project	\$35,000.00
		<b>\$366,754.80</b>
<b>MLA - PIRD Funded Projects</b>		
2004/2005	Wean More Lambs (Orroroo)	\$15,000.00
2004/2005	Wean More Lambs (Hawker/Blinman)	\$15,000.00
2005/2006	B12 nutritional trail (Orroroo)	\$9,000.00
2007	Livestock Containment Fencing	\$15,000.00
		<b>\$54,000.00</b>

**Project Intellectual Property**

There was no intellectual property generated by this project that is the property of MLA.

**Commercial Exploitation of Project**

There is no part of this project that is being commercially exploited.