

**RFCS**  
Gippsland

# REAL CLIENT STORIES

The following stories are real accounts of client situations and outcomes after engaging the services of RFCS Gippsland.

For privacy, their stories have been de-identified, yet all are true examples of circumstances experienced by thousands of farmers and small businesses throughout Gippsland.





# FINANCIAL FUTURE SAVED BY RFCS

Calculation error  
nearly ruined  
generational  
farmers

I have been a proud generational farmer for over 50 years on a 130 year old family farm in central Gippsland. Recent years have been really difficult since the dairy crisis and extreme weather changes. We had been surviving on credit so decided to apply for the Farm Household Allowance (FHA).

My application was rejected. My wife didn't hear back about her's and didn't have the mental energy to follow it up with Centrelink. After years of trying to operate and survive on no income, I couldn't understand why? I was upset and visited my local MP who recommended RFCS Gippsland - saving us from ruin.

Immediately their Rural Financial Counsellor (RFC) assessed that we were eligible for support. They reviewed my FHA application finding I had made a simple calculation error doubling income, reporting profit rather than losses.

I was gutted. The stress building over the years was affecting us personally. I couldn't sleep. I had never felt this way in all my years of farming. Their RFC was concerned about our wellbeing, putting us in touch with support services and a GP. Visiting my Doc has actually helped me feel a little better.

They contacted Centrelink requesting a review of my FHA application, writing a support letter to back me up, and followed up my wife's lost application. She had copies, so the RFC helped her reapply online with a supporting letter and trained her to use the myGov system.

Both our applications were approved with payment back-dated...what a relief! Unfortunately, we couldn't get other drought support being located on the outer fringe of eligible regions, so the time had come to reassess our retirement.

Carrying on with the family farm was always going to be our future, but we also wanted to have freedom to travel and visit family. If we continued farming in these current conditions, we were never going to have the time - or the finances.

After analysing all our options with the RFC, the difficult decision to sell was made clear as we wouldn't be eligible for the pension due to the property value. During this time the RFC continued to help us manage finances.

By retaining the original homestead with some surrounding land and the rest selling very quickly, we achieved financial freedom and kept our family history.





# SUPPORT ENABLED FAST RECOVERY

Bushfire  
devastation  
to operating  
in 6 months

I'm a farmer also with a manufacturing facility on my property in East Gippsland. After 35 years of farming we were experiencing impacts of drought. Now this years' bushfire caused extensive asset losses and wasn't sure if the businesses would survive. I was told RFCS Gippsland could help and I am sure glad I called.

I had no way of generating any income, decreasing expenses or selling assets and had a \$300,000 insurance shortfall. Their Rural Financial Counsellor (RFC) understood the financial management; rules; legal structures and eligibility of my different business, including priorities to give either business a chance to survive.

I was lucky to have an opportunity to recover within 6 months.... a significant customer order received prior to the bushfire. Replacing the destroyed equipment in time to fulfil the order would be fundamental in a speedy recovery.

The RFC helped me explore all my options to achieve this and rebuild both the businesses. He found 9 support programs that I was eligible for. Each had their own application requirements which would have been difficult if it wasn't for the RFC who assisted me through them all. I was even able to have kilometres of vital fencing replaced.

Even with all this financial support, I still had a 50% financial shortfall. An option was using the Government Concessional Loan for bushfire impacted businesses to cover remaining costs. The RFC also helped with this application, business plan and financial forecasting.

The loan was approved and I was able to replace all the equipment needed in time to fulfil the customer order.

Without knowing all the support available and receiving the help to apply, I really don't know how else my farm or business would have survived past this, let alone have a chance to recovery so quickly.

A man and a woman are seen from behind, standing on a wooden platform or fence. The man is wearing a dark blue polo shirt and light-colored shorts, and the woman is wearing a light blue t-shirt and jeans. They are looking out over a vast, flat, rural landscape under a clear sky. The foreground is filled with tall, dry grass.

# BROKEN DREAMS TO HOPE AGAIN

Bankruptcy  
threat to a  
win-win  
proposal

We are a dairy farming couple in South Gippsland. Honest, hardworking, but not too financially savvy. We were doing well on a leased property, but wanted to fulfil a dream of owning our own farm. With no assets, we took up an offer to purchase land through a vendor and the rest with a bank.

Unfortunately, the land had no equity, nor was it productive as hoped. So when the dairy industry downturned, it put us in financial hardship straight away. We contacted RFCS Gippsland to help manage debt and keep the farm.

Although the Rural Financial Counsellor (RFC) assessed our situation, negotiated with lenders and found ways to free up cash to meet loan payments, these were only short-term arrangements until revenue from the farm improved. The RFC wanted to ensure we were developing an achievable long-term plan. They even engaged our milk company with farm consultants to help improve productivity.

Having to take other work to pay bills put pressure on managing the farm. It was supposed to be temporary, but the farm just didn't progress. Continuing to rely on off-farm income and government support, we didn't have enough money to make the vendor payment. We discussed with our RFC what it would cost us to continue farming in hope that it will improve.

Financially, the hard decision was, we had to leave this dream of ours.

Our RFC was great in helping us exit plan, renegotiate lending arrangements and made available solicitor fees to extend vendor finance. But the farm didn't sell and we did not want to accept a reduced price causing us to face bankruptcy. We wanted to pay all our debts.

We continued farming with our RFC staying in contact with our situation and lenders, but over time it was getting impossible to continue. Overworked and barely surviving, we had to face the consequences of accepting a reduced sale.

To my surprise the bank supported us. Apparently we were seen favourably because of our strong history, commitment, ethic and communication. With our RFC, they considered and accepted a payout allowing us money to pay ALL debts in-full AND provide enough money to re-establish ourselves.

Having RFCS Gippsland support and backing of a bank who believed we were good operators, gave us confidence and finances to continue our dairy dream.



A photograph of a man and a woman standing in front of a building. The man is on the left, wearing glasses and a light blue shirt. The woman is on the right, wearing a white top with a blue pattern. They are both smiling. The building behind them has a red awning with white lettering, partially visible as 'POST'.

# OVER- WORKED LIFE BALANCE

Discovering  
opportunity  
out of the  
ashes

Originally from Melbourne, we moved to Buchan after falling in love with the idyllic tree-change lifestyle. We thought it would be a perfect community to retire, so 5 years ago we took the opportunity and purchased the General Store.

This quickly went from the hope of work life balance to working more hours than we had ever done before... and with no reprieve.

We were already exhausted even before the fires devastated our community. Losing some stock and equipment from power outage, we were able to donate what we could, however, being the essential supplier and town's Post Office, we became busier than ever looking after the community and workers helping rebuild.

Working these long hours every day was taking a toll. Financially the business was viable, but not enough to employ a manager as well as support us both. We love this town and business, but for our personal wellbeing, we needed to free up time for ourselves, and therefore became conflicted about selling the business.

When we visited the local bushfire recovery agency, they recommended we contact RFCS Gippsland to discuss financial options. Their Support Officer, while helping us with a Bushfire Concessional Loan to replace damaged equipment, mentioned it might be worth looking into employing a trainee, which would also create an opportunity for a local to begin their career.

We immediately researched, not knowing businesses were eligible to receive support for apprentices and trainees. We employed a local school leaver offering a business management qualification and experience with Aus. Post operations.

She is absolutely wonderful. This was the best thing we could have done. Not only has she bought life back into the business, we now have our own lives back.

We remain proud owners of the store and now have the time to work on building the business while also enjoying the town and people we love... experiencing true work-life balance we dreamed.





A man in a blue cap and polo shirt stands with his arms crossed next to a black and white cow. The background is a blurred farm setting.

# DOWNSIZE TO STRESS- FREE FARMING

Benefits of  
facing  
financial  
challenges

We're in our 40s and have been dairy farmers for over 20 years. We first contacted RFCS Gippsland in 2016 to help with a Dairy Recovery Concessional Loan, but weren't successful and our financial situation got worse.

In 2017 we contacted RFCS again after our bank wanted Farm Debt Mediation because we couldn't afford to pay the mortgage principal. Initially angry with the bank, our Counsellor explained the process and options it would create, so we went ahead with it.

During the dairy downturn we had purchased additional land at top dollar and became financially overcommitted. Since then, we had tried to sell one of our properties to pay off creditors and release family guarantors, but after 2 years we hadn't had success.

We felt like failures. The shame stopped us being forthcoming with information to our Rural Financial Counsellor (RFC), making it quite difficult for them to engage with us. We were in denial, but they persisted and finally helped us realise our true situation. We discussed options with our RFC including moving milk processors to get a better price; changing to organic milk; or selling all our properties and downsize to a less intensive farm, which was our final decision.

Farm Debt Mediation allowed us to continue farming while selling both the properties. When they finally sold, we cleared our debts, were able to release our family as guarantors, and are now operating a smaller farm.

We are less stressed now and have learnt that it's much better to be proactive and face our financial challenges rather than burying our heads in the sand.

A man wearing a blue t-shirt, blue shorts, and a wide-brimmed hat is walking away from the camera on a sandy beach. He is holding a smartphone in his left hand. The background shows the ocean and a distant building.

# ACHIEVING A DEBT FREE FUTURE

Difficult  
decisions for  
a positive  
outlook

Dairy farming for 18 years until I was significantly affected by the 2016 dairy downturn, which greatly reduced my income and increased my debts.

I contacted RFCS Gippsland for assistance with the Farm Household Allowance and apply for a Dairy Recovery Concessional Loan as I wanted to continue farming with the hope to reduce debt and increase production.

My Rural Financial Counsellor (RFC) helped me immediately with emergency funding of donations offered by the Red Cross, CWA and State Government's Farm Business Assistance. But I still had to face the difficult decisions of how to get out of debt.


We discussed options of selling my livestock as I had no other cash or asset reserves, and I wasn't able to refinance as I didn't have enough equity or cash flow to keep supporting the farm..I even had to consider subdivision or sale. I had credit payment plans in place so wasn't keen on bank Farm Debt Mediation.

My RFC helped me assess, realise and accept my actual financial position. The reality of my future was grim, therefore I had to sell the farm and livestock.

It was heartbreaking. I spent so many years hoping it wouldn't come to this, but the financial stress was overwhelming.

Accepting this decision was actually relieving in the end. It took away my stress and I now have a positive outlook of a debt free future.





# RFCS GAVE CLARITY & HOPE AGAIN

Drought  
impacted to  
thriving  
change

We're a small business with most of our work from dairy farmers. We used to do quite well, however the drought caused our business to come to a standstill.

We got behind on the equipment loan and couldn't pay our utilities - dreading each day with the threat of our power being cut or machinery repossessed.

Helplessness and depression set in and we started to lack any motivation. We reached out to engage RFCS Gippsland's small business services.

Immediately their Business Support Officer negotiated payment plans for our utilities, but the equipment financier wasn't flexible and we were paying over 18% for the hire to purchase loan.

Their Support Officer identified options including transferring this debt into our property equity. We did this, dropping payments by 1/3, saving \$837 a month. We can now pay the loan off faster as well as improve our cash flow.

What's more, during this time they gently persuaded us to talk with a GP about mental health which is helping us regain positive mindsets.

The most effective outcome was the Support Officer helped us see what our skills were, the goodwill we built, and to not rely on it 'raining one day.' We looked at diversifying our services using the skills and assets we had.

Deciding to expand into the domestic market, we engaged a digital designer to promote the service and the great feedback we were getting. It's been 3 months now and the work keeps coming in.

We look forward to the monthly coaching sessions with RFCS Gippsland that helps us continue to grow a successful business.