Australian Government

Department of Agriculture, Water and the Environment

2021 to 2024 Rural Financial Counselling Service (RFCS) Program—Program Logic

Context: Fiscal environment, climatic events, industry events (disease outbreaks, trade events, global market impacts), new government programs, referring bodies.

1. Issue

Australian primary producers operate in volatile market and environmental conditions. Many small-medium sized enterprises are more susceptible to risks, which can be compounded by lower financial capability, delayed decision-making, a lack of information and attitudinal factors. This can limit strategic business management and lead to financial difficulty.

2. Need

The new program identifies a need for free, independent financial counselling that empowers clients to engage in strategic business and financial decision-making to improve their financial situation.

3. Vision

The vision for the new RFCS program is financially capable agricultural, fishing and forestry sectors that are profitable, financially self-reliant and resilient.

4. Objectives

There are three objectives under the new RFCS program logic:

- Transition clients out of financial crisis.
- Improve profitability or facilitate a dignified exit.
- Improve financial wellbeing and resilience.

5. Assumptions

Assumptions for the new RFCS program include:

- intervention is appropriate
- effective, efficient and high quality service
- robust governance
- there is service demand and good client engagement (includes program awareness and clients who are willing to engage in a counselling process)
- appropriate counsellor training and development
- client should be serviced within 3 years, unless on Farm Household Allowance.

6. Inputs

Inputs into the new RFCS program include:

- Funding
- Program governance (including funding contracts and data collection systems)
- Human resources
- Clients.

7. Clients

RFCS clients are farmers, fishers, foresters and related small businesses experiencing, or at risk of, financial hardship.

Examples of small related businesses are, shearers, fencing contractors, harvesters and others directly involved in the production of primary industry products.

All clients need to be able to tell their story and should be encouraged to engage with case management.

8. Client engagement

Client engagement under the new RFCS program should:

- Promote the service strategically.
- Triage clients based on their needs.
- Include dynamic service delivery to manage demand and capacity.

9. Activities

There are two main activities that counsellors can undertake with clients.

Counsellors can provide support to access government programs and other assistance.

This includes:

- understanding the client's issue
- discussing options
- assisting with documentation (e.g. to receive Farm Household Allowance)
- encouraging clients to engage in case management.

NOTE: Clients solely seeking support to access government programs and other assistance (transactional assistance) may not be ready to engage in a more holistic assessment of their business and possibilities. As a result, they will only be able to address their immediate financial issues unless they transition into case management. Counsellors should talk to clients about whether transactional support will result in adverse outcomes.

Counsellors can also undertake structured case management of clients.

This includes:

- helping clients to understand their business situation and underlying problems
- supporting clients to come to terms with their situation and feel in control of their future
- discussing possibilities and longer term goals
- developing knowledge, skills, confidence
- developing business plans/strategies
- supporting clients to access government programs and other assistance
- representation and client advocacy (i.e. negotiations or mediation with banks and creditors)
- referrals to other professional services
- implementing plans/strategies and monitoring progress.

NOTE: Clients should be encouraged to engage in case management, including where they are seeking transactional assistance, and counsellor resources should be focused on clients who are willing to fully engage in case management.

10. Outcomes

The program logic outlines client outcomes separated into four groups.

The first three stages are outcomes we expect clients to achieve while participating in the program. The last stage (post-exit outcomes) reflect outcomes we expect clients to achieve after exiting the program, as a result of successfully achieving the earlier outcomes.

While these stages look rigid and simple, in reality, this is a complex process that depends on individual circumstances, capability levels and personalities. Some clients may move through these outcomes faster and some clients may not achieve the outcomes in a linear fashion—for example, some clients may go back and revise their longer-term goals as they get a better understanding of their position over time.

The logic to the sequence of these stages is that:

- In Stage 1, a client must develop a conducive mindset to engage in a longer-term change process. This could include addressing some immediate financial concerns and coming to terms with the need to reconsider their longer-term business strategy and goals. The client then builds a better understanding of their business position and options to improve their financial situation. This process could include identifying new opportunities that they have failed to see before.
- In Stage 2, the client then increases their financial and business planning skills to develop more appropriate longer-term business goals and strategies.
- In Stage 3, the client starts to implement these strategies to take steps toward the three pathways—either to improve their business's profitability and viability, to pass their business onto a successor, or to sell their business.

Stage 1 Outcomes

- Conducive mindset and motivation:
  - financial support is accessed
  - clients become mentally ready and willing to consider longer-term business changes.
- Increased knowledge:
  - improved understanding of financial position
  - better understanding of options to improve position.

Stage 2 Outcomes

- Increased skills, knowledge and competence:
  - improved financial and business skills and competence
  - developed medium-long term business goals
  - developed strategies to achieve medium-long term business goals and manage risk.

Stage 3 Outcomes

- Behavioural changes and decision-making options to reach self-sufficiency:
  - implementing business changes to improve business profitability and viability, and progress towards financial self-sufficiency
  - implementing business changes to pass the business onto a successor and progress towards financial self-sufficiency
  - implementing business changes to sell the business and progress towards financial self-sufficiency.

Post Exit Outcomes

- Sustaining behavioural change:
  - financially self-sufficient farm businesses with improved profitability.
- Executing decisions:
  - businesses successfully transitioned to successors
  - businesses sold.

11. Impact

Individuals who are financially self-reliant and businesses that are better prepared to deal with risks so they don’t need to re-enter the service.