

HEALTHY HANDOVERS

The future of the family farm is at the heart of Isobel Knight's holistic approach to succession planning.

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Isobel Knight has known there was something wrong with succession planning on family farms since she was eight years old. That was when her paternal grandfather died and her uncles discovered, to their great surprise, that the home farm was not part of their inheritance.

"Dad was in a family business with four brothers," Isobel explains. "They had properties from Holbrook through to Junee, and they were so connected and so good at running them that my mother used to say one didn't roll over in bed without the others knowing. But when Dad started buying the home farm from his parents when he got married, it was never communicated to the other brothers. The family didn't talk about the hard stuff like wills. So when my grandfather died and my uncles found out Dad owned the home farm, they got a bit of a shock."

In 2013, Isobel Knight of Loomberah near Tamworth, NSW, was named the Rural Industries Research & Development Corporation (RIRDC) Rural Woman of the Year (NSW/ACT) for the resourcefulness, determination and creativity she has brought to the field of family farm business succession planning. She was also runner-up for the national award. After almost a decade of putting in long hours of working and travelling to establish Proagtive, she was delighted by the recognition, but says she had not expected to win.

"This is a vexed topic – it has a lot of negative connotations and often isn't put in the spotlight in a positive way," she says. "To be honest, I didn't expect to get past first base – the judges were brave."

Isobel says that because agriculture is capital-intensive, people tend to think passing on the farm is about divvying up the assets – basically, who gets

what and when – without realising it is actually about the transition of management, and it involves thinking about people's roles, considering how to treat everyone fairly but not necessarily equally, ensuring the business remains a viable entity and, most importantly of all, good communication.

As a young woman marrying into a farming family, she saw that although her husband's parents were determined to give the next generation their opportunities early, there was no formalised process to follow and no trained experts to assist. And she saw other families who weren't even having the conversations, which was causing great frustration between the generations. "I thought if we don't do this better, we're going to continue to see this attrition and families leaving agriculture, because of this one thing," Isobel says.

Isobel was born in 1966 and grew up on a farm near Junee in southern New South Wales. She spent her last four years of school as a boarder at Presbyterian Ladies' College Sydney, and then studied business/law while working for LJ Hooker. She met her future husband at a public speaking contest in 1986, when they both became state finalists. Rod won the competition with a speech about youth in rural Australia and used his scholarship prize to go on a study tour of beef production in the United States. Now a fifth-generation grazier, he is also co-owner of a business called KLR Marketing that teaches livestock producers how to manage their businesses profitably and use the market to their advantage.

The couple married in 1989, when Isobel was 23, and moved to Rod's family farm near Coonabarabran, on the edge of the Warrumbungle Ranges. Within a couple of years they were in a position to branch

Isobel Knight has brought resourcefulness, determination and creativity to the vexed field of farm succession planning.





Bruce Craig drives infant Isobel, a lamb and an assortment of dogs across the paddock on the farm at Eurongilly, NSW. OPPOSITE: Isobel and her husband Rod on their cattle property, Kooramilla, at Loomberah, near Tamworth, NSW.

out on their own, with significant assistance from Rod's family, and bought 1130 hectares at Binnaway, near Coolah. Despite being the extra pair of hands on the farm, having two small children, and teaching part-time at the local TAFE, Isobel also studied psychology, mediation and counselling. "I'd decided I wanted to work in succession," she says, "And I could see that these were the aspects that were missing."

One of the catalysts for this decision was a dinner party she and Rod gave not long after they moved to Binnaway. Isobel looked at the two dozen guests gathered around the table and realised that all the young women were tertiary-educated and the young men were not. All were working on family farms with "lots of hopes but not a lot of clarity" regarding succession. Not one of those family farm businesses had invited the daughter-in-law to play an active role. "So rather than people looking at these girls and saying how can we apply that skill set to our business, they were pushing them away for fear of what would happen if there was a divorce," Isobel says. "I just remember looking at it and thinking, what a waste. And how much agriculture could benefit, if we all did this better."

Isobel set herself the goal of learning what she needed to know to make a difference to farm succession planning. The key, she felt, was relationships, not money. So she immersed herself in

study and deliberately waited to grow a little older. "You can't sit in front of 60-year-old farmers when you're in your twenties and try to tell them how to do things," she says. "I figured the day would come when my family was at the stage where I could do this kind of work, and I would have more credibility because I had lived a bit of life."

In 2001, with the children Lachlan, Anabel and Ben settled at school, Isobel began working for a major agribusiness bank as a succession planner. Feeling frustrated by the lack of flexibility in their approach, and sensing a niche opportunity, she left three years later to start Proagitive with a colleague, Sarah Roche. Like Rod before them, the pair went to the USA to check out best practice. They visited Dick Wittman, a high-powered farmer in Idaho with a financial background who had written the manual on professionalising the management of family farms and developing solutions for business succession planning and conflict resolution.

"We went round and round on the harvester with him as he talked our ears off," Isobel says. "He was so passionate. We brought him out here to tell his story – we thought what he was saying was exactly what we needed here." However, their initial plans to offer a modular education program to groups of people had to be abandoned. Farming families were loath to



American mentor Dick Wittman passed on his succession knowledge to Isobel and her former business partner Sarah Roche (pictured) in the cab of his harvester.
OPPOSITE: When she's not visiting clients, Isobel works from her home office on the family farm at Loomberah.



air their personal stories in a public forum; what they wanted was customised, individual support. So Proagrive became primarily a consultancy business, which, as Isobel freely admits, is a much more expensive model.

The process involves detailed questionnaires, extensive financial analysis, and many hours of face-to-face and teleconferencing meetings culminating in a family agreement and an action plan. Afterwards, there are follow-up calls and regular reviews. Isobel says a typical family trying to decide how to bring the next generation into their business might take six to 12 months to get to the action plan stage, and would need to set aside about \$20,000, which is paid in stages. She points out that the business financial analysis aspect of the process often results in suggestions that reduce expenses and improve profit, so the real cost is actually lower. And then there are the intangible benefits of doing succession planning well, such as peace of mind and family harmony.

Colleen Nicholas, who lives on a cropping and cattle property in western Queensland, became a Proagrive client in 2012 because she wanted to give her three sons and daughter the opportunity to consider their future directions and make choices that would suit each of them and the business, too. Above all, she wanted to keep their family relationships healthy.

“The succession plan was extremely important to me, as I’ve had experience of family partnerships with challenges that impact business and family relationships and ultimately end up with heartache,” Colleen says. “I didn’t want history to be repeated. This program gave me enormous peace of mind, and it also made me feel proud of my children’s maturity and their abilities. It allowed us to be honest with ourselves and each other in a supportive, safe and respectful environment.”

Isobel and the Proagrive team are on the cusp of expanding their reach by making workshops about succession planning available on their website. Commissioning a new, more interactive website is how Isobel spent the bursary from her RIRDC Rural Woman of the Year award. “Currently we work with about 22 families a year,” Isobel says. “That’s 22 out of thousands. I’ve got to find ways to make a difference to more.”

She says her determination to ensure Australian family farm businesses have a strong, viable future comes in part from her maternal grandfather. After leaving Northern Ireland at the age of 19 in search of better prospects, he drew a settlement block at West Wyalong, NSW, and became a passionate Australian. “He instilled in all of us how important being Australian is, and what this land means,” Isobel says. “So that’s a driver for me, for families to remain stewards of our agricultural land.”

