

ABSTRACT of a thesis titled

Passing it on

(A study of Succession Planning in the south west dairying region of Victoria)

Lindsay Ferguson 2002

Poor succession planning is an internationally recognised concern of family farming systems in many developed western countries. In Australia, the problem causes disruption and has a negative effect on families, businesses, the regional economy and the social capital of the communities in which they operate.

In the south west region of Victoria, the succession ideology is reinforced by the cultural background of the farmers, but attitudes are also strongly influenced by the large proportion of new entrants in each generation who often have a different mindset. An increasing proportion of farm children now seek off-farm careers and for those parents, interest in retirement and sale of the farm is greater than in succession. For the remaining family businesses, succession is even more important as they expand and intensify to maintain viability in an environment of increasing technology and of industry restructure.

The private and public farm business advisory fraternity have responded to these concerns with widespread “extension” activity since 1995. This research project was established to investigate what could make these activities more effective. Qualitative and quantitative studies revealed that a relatively high level of interest in succession planning corresponds with a similar level of awareness of the extension activities but resulted in a low level of attendance at them. A high level of informal planning was observed but resulted in a low level of conversion to formal plans. A facilitation model was trialed which reinforced the known importance of integrated advice and good communications. Facilitation countered, but could not prevent, external events from interrupting the process. The study discovered that the roles of farmers and advisors were multifaceted and sometimes overlapped.

For the process to be more effective, farmers and advisors need to focus more on understanding the process of succession planning and jointly and constructively working through it. The likelihood of successful completion of formal plans is improved if the process is well managed. The addition of a specialist facilitator to the advisory team to carry out this role can help to improve the quality of the succession planning process.

Further participatory research is warranted to encourage ongoing improvement to the model, to assist greater levels of behavioural change and to continue the positive alliance between farmers and the advisory fraternity, both public and private, as they work together to improve the effectiveness of their services.