2025 - 2030
STRATEGIC PLAN

RFCS
Rural Financial Counselling Service
New South Wales

RFCS NSW has a long-standing history of helping regional and rural communities, businesses and individuals in or at risk of financial hardship.

Whether it be during or following a natural disaster, market downturn, policy and structural change, family and business disharmony and/or physical and mental health ailment, RFCS NSW has been on the front-line. It has delivered financial counselling and related capability building programs to alleviate distress, develop skills, rebuild lives and strengthen resilience across central and southern NSW.

This Strategic Plan has been developed to ensure RFCS NSW continues to achieve these outcomes over the next five years. It articulates a set of strategic priorities that respond to current and forthcoming threats and opportunities to the organisation's purpose and mission. By improving existing services and operations and acquiring new programs, the well-established credibility and importance of the organisation will continue over the period and beyond.

Introduction

4 **Strategic context**

5 *Farm finances will be variable, but farmers have capacity to adjust*

5 *It's a bleak financial outlook for small business*

5 *More people are struggling to make debt repayments*

6 *Banks and other creditors need to do more to help customers in hardship*

6 *Different sources of funding for financial management programs*

9 *Program logic outcomes and compliance critical for sustainability*

9 *Workforce will be higher skilled, and more technology orientated*

10 **Strategic plan**

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The Financial Counselling Service (FCS) program is a NSW program funded and administered by NSW Fair Trading.

Australian Government
Department of Agriculture, Fisheries and Forestry

NSW GOVERNMENT

Strategic context

Studies are consistently showing that a growing number of individuals and small businesses, including farms, are doing it tough.

Since the COVID-19 pandemic businesses have suffered from staff shortages (i.e. tight labour market) and everyone in society has dealt with high inflation, which included 13 consecutive interest rate increases from April 2022 until February 2025. While inflation and interest rates have reduced since this period, prices are still too high across many goods and services that businesses and people rely upon for their work and livelihoods. Incomes and wages have increased but, in many cases, have not kept pace with costs. Australia's GDP per capita, a metric often used to measure this tension, has been falling since 2022. This is what is commonly known as the 'cost of living' crisis.

RFCS NSW clients are the people generally most adversely impacted by these circumstances. For various reasons they are unable to service debt and require assistance to alleviate hardship and return to a more sustainable living arrangement. This requires a strong commitment to implementing cost reduction measures, investment in productivity boosting initiatives and building of financial management skills and related capabilities.

Farm finances will be variable, but farmers have capacity to adjust

Since the COVID-19 pandemic Australian agriculture has experienced relative economic prosperity despite various constraints. It experienced three successive years of record-breaking production value (exceeding $90 billion gross value of production) from 2020-21 to 2022-23. This was driven by favourable climate conditions and commodity prices on average across agricultural products. Despite lower values in 2023-24, largely on the back of drier conditions and lower prices, the industry bounced back in 2024-25 despite drought across the southeastern states. With better seasonal conditions across the country and high livestock prices, 2025-26 is forecast to increase by 1% to $95 billion. These positive results have occurred in the context of trade and supply chain impediments from geopolitical instability, tariffs and trade wars, natural disasters, biosecurity outbreaks, workforce shortages and pressures to maintain social licence.

Despite the upward trend the number of agricultural businesses and employment is on a long-term decline. Currently there are around 87,000 agricultural businesses in Australia (ABARES 2025). This compares to around 206,000 in 1954-55. While most farms continue to be family-owned and operated, they have been getting substantially larger and more mechanised or technologically advanced. These productivity improvements have offset declines in farmers terms of trade and demonstrated that the larger the farm, the more profitable you are likely to be.

Input costs and climate variability continue to be problems for the farming community. Southern NSW, in addition to SA and Victoria, were in or near drought during 2024-25. This has increased the demand and cost of fodder and water. These add to other cost increases since the COVID-19 pandemic, in particular energy.

The bigger and longer-term problem for agriculture (and the economy more broadly) is temperature increase. As the world continues to get hotter - almost 1.5°C higher than the historical average (Climate Change Authority 2025) more climate variability and natural disasters will occur. This is having a direct adverse impact on farmers' bottom line. ABARES (2021) found the decline in rainfall from 2001-2021, compared to 1950-2000, resulted in a reduction in farm profits on average, by 23%, or $29,200. If the temperature continues to increase more farmers, particularly those with smaller landholdings and cash receipts, will require financial hardship support.

The industry has capacity on its Balance Sheet to absorb some of these threats. Agriculture land values, particularly those near the coast, have been increasing significantly since the COVID-19 pandemic. According to the ABARES Farmland Price Dashboard (2025) the average price for a broadacre farm in Australia is $9,617/ha. In 2020 it was $6,190/ha. While this has given rise to demand and conflict surrounding succession planning, and created barriers for young people entering farming, it has provided increased equity that can be drawn upon for hardship relief.

It's a bleak financial outlook for small business

Small business confidence in NSW is currently at 27% (NSW Small Business Commissioner 2025). This record low is worse than during any of the major events or disasters including the COVID-19 lockdowns in 2020. This pessimism comes from the fact that 43% of small businesses are failing to make a profit and 75% take home less than the average wage (ASBFEO 2023).

NSW currently has the highest insolvency rate of any other state or territory in Australia (ASIC 2024). In 2023-24 there were 11,049 companies that entered insolvency in Australia. Of this total 4,634 or 42% were in NSW. These are the highest numbers since 2012-13. This has a disproportionate impact in regional areas as residents are forced to travel longer distances to continue accessing the services previously offered in their town or district. The cost of business inputs is the top driver of hardship with retail electricity and gas at the top of the list. Cash flow and availability of working capital are also significant problems (NSW Small Business Commissioner 2025).

Over the past few years there has been various papers highlighting the need for small business financial counselling. Based on a pilot program funded by the Australian Government in regional areas, the federal Small Business Natural Disaster Preparedness and Resilience inquiry (ASBFEO 2022) recommended the service be provided but forward looking and proactive rather than focused on post-disaster support.

The Service NSW Business Bureau and national Small Business Debt Helpline are the programs currently implementing this recommendation. In general, these programs help small business with startup, accessing government programs, complying with regulations, applying for licences and permits, refinancing or renegotiating debt terms, and exploring opportunities to grow. For many clients this is all they need to progress towards their business goals.

For complex cases (small businesses experiencing financial hardship for many months; in debt and having disputes with creditors and lessors; lacking business management capability; and suffering a mental health ailment/s) these programs often do not meet their needs. In these circumstances clients require case management to extensively review their business, ensure their financial statements are up to date, have a robust business plan that includes disaster and climate mitigation, negotiate with creditors, and return their business to profitability or provide for a dignified exit. This is why Financial Counselling Australia advocated for more small business financial counselling funding and services in their 2025 federal election policy submission.

More people are struggling to make debt repayments

47% of Australian adults with debt, the equivalent of 5.8 million people, are struggling to make repayments (ASIC 2024). This figure has been increasing for some time. In the last quarter of 2023, there was a 54% increase in the number of hardship notices related to home loans compared with the same period in 2022. Among Australians who have personal loans/debts and have missed at least one loan repayment in the past 12 months, the main reason is cost of living pressure. This is followed by reduced income, unexpected expense, unemployment, overborrowed/overcommitted and a medical situation/s. In response, Financial Counselling Australia included increased and better targeted funding for face-to-face financial counselling services in its 2025 federal election policy platform.

Banks and other creditors need to do more to help customers in hardship

Under the National Credit Code, customers can advise their lender of their inability to meet their obligations under a credit contract (a hardship notice). In response, the lender must consider whether to vary the customer's credit contract to assist the customer in meeting their obligations. This financial hardship process provides both parties an opportunity to work constructively to resolve the financial hardship, potentially avoiding the need to sell assets such as the family home to repay the debt.

Under the Farm Debt Mediation Act 1994 a creditor and farmer can initiate a mediation process to resolve a farm debt. Creditors must initiate this proceeding before taking enforcement action. Farmers can initiate the proceeding whether they are in default or not. There are a range of actions explored in the mediation to reach consensus that become a binding contract.

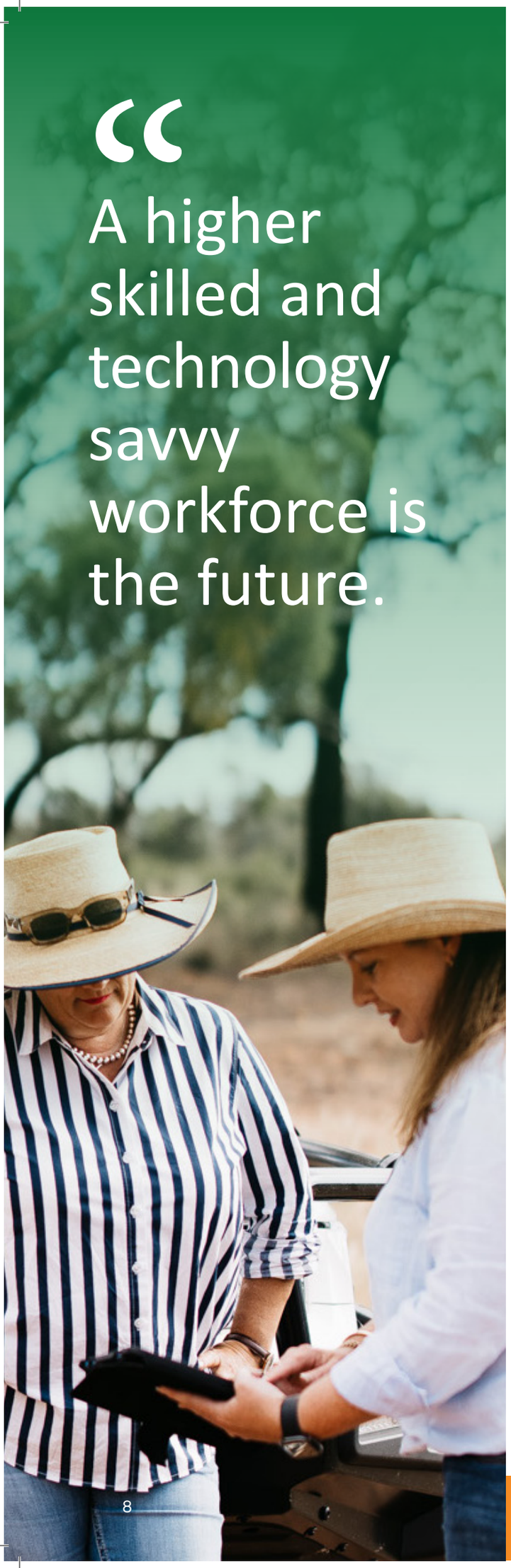
In 2024-25 the Australian Financial Complaints Authority (AFCA) received more than 100,000 complaints for the second year in a row. These are record highs for AFCA. Most complaints relate to banking and insurance with a smaller number relating to scams, superannuation and investments. Misleading product or service information, delay in insurance claim handling, and service quality are the main issues. An inadequate focus on customers (compared with financial risk and operational efficiency) appeared to underlie many of the poor practices (ASIC 2024).

Different sources of funding for financial management programs

Traditionally financial counselling programs have been primarily federal and to a lesser extent state government funded. While there are commitments for these to continue via policies like the National Drought Agreement, the 2025 state and federal budgets and election policies highlight other priorities for government. These include non-inflationary cost of living relief for lower income and disadvantaged people, transition to net zero, infrastructure and social policies like Indigenous reconciliation. When these are placed in the context of growing debt and continued deficits (e.g. 1.5% of GDP or $42.1 billion deficit in 2025-26 for the federal budget) it will be difficult to obtain any new funding from these sources.

Several industries and agencies have financial and business management program commitments and opportunities available for service providers. Mental health providers like Grand Pacific Health have identified the need to develop partnerships with financial counselling service providers to achieve their client outcomes. The Regional Drought Resilience Planning Program provided support to identified Local Government Areas in NSW to develop drought resilience plans. Councils have completed these plans which consider drought resilience beyond water security, focusing on environmental and social resilience needs. Some of these include developing financial and business management skills and plans. The Financial Counselling Industry Fund was established in 2024 to provide grants to financial counselling service providers. Funding is being provided by more than 80 companies across the banking, insurance, energy, wagering and credit industries. Research Development Corporations have industry strategies that often include better financial and risk management. These often have a focus on productivity and sustainability e.g. reducing emissions and planting trees to achieve net zero emissions, requiring more novel approaches to service delivery.

> Input costs and climate variability continue to be problems for the farming community.



Around 8.5 million adults, or about 45%, of Australians are financially illiterate (University of NSW 2024). This decade long plus downward trend has been attributed to many factors including a stark decline in high school students undertaking economics. Delivering financial capability development sessions in high schools may help address this issue. Finally, companies like Coles and Woolworths have come under scrutiny for undercutting suppliers and/or customers. They have an opportunity to restore their social licence by partnering with not-for-profit organisations like RFCS NSW to help their suppliers and customers overcome financial hardship.

Capitalising on these opportunities will require an efficient and effective core service (financial counselling) model but also targeted and competitive service offerings. For example, offering benchmarking, a process of comparing a business against others in the industry and region and using that information to drive improvement, that includes emissions and productivity with financials, could be offered as a fee for service option. This would generate an independent revenue stream for the organisation, and expand the service profile and partnerships across regions and industries.

Program logic outcomes and compliance critical for sustainability

In 2019 the Australian Government conducted a review of the RFCS program. The findings and recommendations reshaped the program's guidelines and service agreements. Service providers are now required to focus on case management as opposed to the more traditional transactional approach.

A case managed client is far more likely to develop skills and change behaviour to improve their financial sustainability and resilience than a transactional client. This is due to case managed clients undergoing business/personal reviews and developing and implementing business/personal development plans that often include succession planning and risk management with their financial counsellor. A transactional client is generally far more narrowly focused on completing a grant application or securing an immediate credit waiver.

Financial Counselling Australia has released an outcomes framework for the sector. This seeks to provide a uniform measurement structure focusing on a common vision, promote accountability for achieving progress towards desired client outcomes, and drive continuous improvement and evidence-based innovation in service delivery.

The framework has four domains with several outcomes and indicators. Delivering a case management model that can demonstrate achievement and compliance against program logics (requirement of grants agreements) and the outcomes framework will be the critical for survival.

Workforce will be higher skilled, and more technology orientated

Over the last decade the workforce has become more educated, and employment has transitioned towards more services-based industries. This has been fuelled by improvements in information technology and automation. As innovations are adopted the demand for labour from routine tasks (repetitive physical labour that can be replicated by machines) shifts towards non-routine cognitive (non-repetitive or non-codifiable) jobs. Consequently, there has been an increase in demand for technical and digital skills across industries, including the offshoring of jobs to lower wage countries.

It is estimated that artificial intelligence (AI) could increase labour productivity by 4.3%, injecting $116 billion into the Australian economy over the next decade (Productivity Commission 2025). This is largely the result of streamlining or automating tasks currently performed by workers. This transformation is already underway in banks where AI is being used for better fraud detection, more efficient handling of customer complaints, and determining loan eligibility and serviceability. These improvements will come at a cost for workers whose roles will change or be made redundant.

A more educated, higher skilled and technologically savvy workforce is the future. It is predicted that over the 10 years to May 2033, 92% of new jobs created will require post-secondary qualifications (Jobs & Skills Australia 2025).

The role of a financial counsellor or advisor will be no different. In the future when financial data is uploaded to a closed AI system, analysis against ratios and benchmarks will be generated quicker and more accurately than traditional methods. It can then personalise options against individual goals, challenges and values. For example, closed AI might suggest low-cost investment options and strategies for servicing debt. Finally, the closed AI will capture and produce case notes consistent with a prescribed framework or policy. These changes will increase efficiency and accuracy of the financial assistance which in turn increases capacity to take on higher client loads. It will also see counsellors and advisors spending more time teaching and motivating clients and negotiating with creditors given the closed AI is doing most of the current financial work and related administration.

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Strategic plan

Our vision

The regions are prosperous from financial resilience and sustainable economic growth.

Strategic Priority	Strategies
#1 **More financially skilled and capable people in the regions**	• Expand the breadth and depth of financial counselling for primary producers, small businesses and individuals. • Deliver capability building workshops and projects relating to financial and business management. • Increase the involvement of financial counsellors in schools providing farm business management training and succession planning. • Develop client action plans based on analysis of circumstances and ensure timely interventions and follow-up support during the plan's implementation. • Enhance referral pathways to mental health, legal, business advisory, and social services for holistic client care. • Maintain robust client feedback mechanisms to monitor satisfaction and inform service refinement.
#2 **Agencies and communities value RFCS NSW**	• Deepen partnerships with local governments, industry groups, and organisations to co-design and deliver targeted support programs. • Raise awareness of the organisation through coordinated outreach, public campaigns, and presence at regional events. • Advocate for rural businesses and individuals at the state and federal level, providing evidence-based policy input and amplifying client voices. • Maintain compliance with legal requirements and grant agreements. • Respond to relevant government, parliament and industry reviews and policy and program development initiatives.
#3 **RFCS NSW is productive and sustainable**	• Invest in data analytics to better understand client needs, track trends, and drive service development. • Develop the capability and wellbeing of the organisation's workforce. • Leverage technology for smarter resource allocation, reducing administrative burden, and maximising service reach. • Foster a culture of continuous improvement through regular review and adaptation of programs and processes. • Maintain robust financial, ICT and governance systems and processes to safeguard the organisation's reputation, information, finances, and assets. • Generate independent revenue through fundraising, donations, investments and fee for service programs.

RFCS
Rural Financial Counselling Service
New South Wales

Our **mission**

Deliver financial counselling and related services to reduce financial hardship, build financial management capability and reduce the risk of financial difficulty in the future.

	Measures
	• Increase in the market penetration rate • Minimum of 80% clients' case managed with development plans • High % of clients referred to external agencies to service need beyond scope • Maintain a high (>4/5) client satisfaction rate • Improvement in client outcomes from service entry to exit
	• Increase in the number of partnerships • Increase in the number of outreach events by type, Facebook and Instagram followers and website hits. • Increase in the number of submissions providing client/organisation benefit. • Compliance with legal and other corporate/program requirements. • High stakeholder satisfaction rate
	• Inclusion of relevant client and community/industry trends and analysis in tenders and proposals • Training hours, topics and requirements consistent with the L&D strategy, FCAN and grant agreements • Demonstration of technology deployment and process change yielding efficiency improvement • Maintain a staff turnover rate below 30%. • Achieve a balanced budget or minor surplus across programs • Above minimum requirements against cybersecurity and other asset and financial management frameworks • Achieve at least a 50% increase in new funding

Our **values**

INTEGRITY
Acting with honesty, transparency, and accountability in all endeavours.

EMPATHY
Understanding and supporting the unique experiences of regional communities.

COLLABORATION
Partnering with communities, industry, and government for collective impact.

INNOVATION
Embracing new ideas and technologies to improve service delivery.

EXCELLENCE
Striving for high standards in client service and organisational performance.

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This Strategic Plan has been developed to ensure RFCS NSW continues to service regional communities over the next five years. It articulates a set of strategic priorities that respond to current and forthcoming threats and opportunities to the organisation’s purpose and mission.

CRAIG HOUGH | RFCS NSW CEO

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