



Over The Fence Newsletter

June 2009/

www.grazingbestprac.com.au
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FEATURES

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Establish New Project**

**Use your Farm Ready
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Technology of Growing Grass—Healthy Grass, Cattle and Soil Workshops.

Approved Tax Plans.

FEED BUDGETING can make you money.

SUCCESSION by CHOICE



Australian Government
Department of Agriculture, Fisheries and Forestry

Healthy Soils Group Successful Project.

Grazing BestPrac have formed a "Healthy Soils" Group as part of a two year project working with Farm Ready under the industries program. The project is being managed by the Central Highlands Regional Resource Management Group (CHRRUP) based at Emerald. The project aims are to:

- Survey the needs of members in relation to climate change in grazing and cropping lands;
- Document strategies to manage climate change risk
- Develop a training package to assist landholders and;
- Disseminate available information to the community.

The project is more about pulling together the research as it becomes available and to help to disseminate this to the community. We already have many millions of dollars going into research, some of which will never be used unless it is converted into real on-ground applications for farmers and graziers.

The "Healthy Soils" group is about converting research into onground change, in the grazing and cropping industries.

If you are interested, please call the office 0749 383919 or Mick 0438 395255 or go directly to the website to sign up.

Editors Desk....

It was wonderful to catch up with many friends at the recent Beef 2009 and also to meet so many of you for the first time. We were at the Beef spectacular for four days and really enjoyed the quality of speakers at the seminars, the trade displays and the beef cattle on display. It really is a show of the strength of rural industry in Queensland and Australia. Congratulations to everyone who was involved and we look forward to an even bigger show in 2012.

Soil Health is now a big issue— One of the best supported seminars at Beef Week was the "Healthy Soils" session on the Tuesday. More than 100 people attended this session when in past years, only a handful would have bothered to hear people speaking about microbes and managing soil. The key speakers were Ray O'Grady, soils specialist from Lismore, Shane Joyce, "Dukes Plains" Theodore, David Marsh, northern NSW and Henry and Maria Townsend "East Mathieson", Katherine NT. The topics ranged from how the life in the soil really affects production to real life examples to developing an extensive property in Northern Australia.

The federal government has now decided that soil health is important, along with bio-char, compost teas, carbon sequestration in soil and ways of measuring methane from livestock. So now the fun really begins. Now we will all need to start working together to create a good outcome for landholders in the country. I was also lucky to attend a session with John Rolfe (Central Queensland University) who spoke on the impact of the possible Carbon Pollution Reduction Scheme on agriculture. He spoke of the potential to cost agriculture (\$30,000 for an average 1,000 breeder herd) in year 1 of the scheme if methane emissions was to be the only research carried out.

It is imperative that we formalize a voice for Queensland and get behind research and learn more about the biggest issues in the industry.

Please join the recently formed "Healthy Soils" Group by contacting Mick or going to www.grazingbestprac.com.au



Use it now or Lose it — Farm Ready Funding

Farm Ready is the newly established training body taking over from FarmBis in Queensland. The program will fund the cost of approved training for eligible primary producers, their families, indigenous managers and staff involved in management. It has available funding of

- **\$1500 per person, per financial year, to pay for the cost of approved training, plus**
- **\$500 towards the cost of travel and accommodation.**

However, the first financial year has only 4 weeks to run, before the funding is no longer available for this financial year. Therefore, it is imperative that you use this funding by the 30th June or you will lose it. There are more than 100 approved training courses, with Grazing BestPrac having six courses in Queensland. For information about Farm Ready, guidelines and application forms, go to www.farmready.gov.au or phone 1800 087 670.

If you would like to know more about:

- ⇒ Carbon sequestration;
- ⇒ Developing healthy soils;
- ⇒ Compost teas;
- ⇒ Rotational grazing;
- ⇒ The value of grass
- ⇒ Managing microbes in soil.



Then make your way to one of the coming

“Technology of Growing Grass” (TOGG) workshops to be held around Queensland in June—August

8th and 9th	June	Wycarbah Community Hall, Wycarbah
18th and 19th	June	Blackall Cultural Centre, Blackall
22nd and 23rd	June	Mundubbera Community Centre
25th and 26th	June	Emerald Pastoral College, Emerald
16th and 17th	July	Roma (Club Hotel) Roma
20th and 21st	July	Tara (venue TBA)
17th and 18th	Aug	Gympie (Venue TBA)

Other GBP courses which are approved include:

- ⇒ **Feed Budgeting**
- ⇒ **Succession Planning**
- ⇒ **Communications in Business (Goals and Visions)**
- ⇒ **Benchmarking for Rural Business.**
- ⇒ **Strategic Planning**



Workshop group from Mt Larcom TOGG in April 2009

So get in fast to secure your seat for the Healthy Cattle Soils and Grass Workshops - Phone 0749 383919 ASAP.



Mathew and Lachlan Alexander learning the ropes on Bindaree, Ridgeland.

SUCCESSION by CHOICE

In actual fact, it is not about blaming one or another. The blame inflames the situation and causes each party to take emotional sides. This is when you as an individual can have the greatest impact on the outcome of a meeting or family disagreement.



Remember, “it takes two to tango” – two people are needed to create or continue an argument.

Every Farm Family needs a Succession Plan?

Succession planning is a series of events, activities and outcomes which are planned from the first day you, as a family decide you want to have a better life. That is the day you get sick and tired of going through the day to day stuff, not knowing where it's all heading. This will be the same for mum and dad as the younger generation. We often blame dad for not telling us where the business is heading, or what our role is going to be, but often the sons and daughters don't know where they want to be in the future either. I have heard many fathers say, we'll wait till the kids are a bit older and they might know what they want to do then. I can't give them responsibility until they are ready or I think they are ready. Then time drags on for another ten years or more and the kids are still working in the business with few assets and little direction. Then it all erupts, like a volcano. So, the first step is a big move for everyone. Often families can be wonderful at discussing the day to day issues, but never actually discuss the big picture. And certainly rarely discuss death, inheritance or succession. Many families eventually end up in court arguing about ownership of the asset, unpaid wages, time wasted and unspoken expectations. Many even resort to blaming the other party due to lack of communication. When a son or daughter marries, the group dynamics change totally. A son may have placed his parents and the farm as number one in importance before marriage and all of a sudden, has now placed his own wife and family as number one. This is probably the reason many families blame the daughter in law or son in-law because all of a sudden, it's not just about the son or daughter, but also about their families.

In actual fact, it is not about blaming one or another. The blame inflames the situation and causes each party to take emotional sides. This is when you as an individual can have the greatest impact on the outcome of a meeting or family disagreement. Remember, “it takes two to tango” – two people are needed to create or continue an argument. Understanding the other persons position takes a lot of effort, as we all want what is best for ourselves and our families. Not one of us has bad wishes for other members of our family until it looks like we won't or aren't getting treated fairly. A good rule for successful meetings is to separate the emotion from the facts or content. Remember if you really want a conflict to be resolved and happy, you can achieve it. It takes commitment and communication skills. To remove the emotion, we need to use some simple processes. They include:

- 1 Firstly, remember, we are all a part of this family business even if the ownership rests with mum and dad.
- 2 Create a positive reason for the meeting (looking at the future and not about fixing problems)
- 3 Accept responsibility for your situation and your future outcomes. (No-one is to blame and we are all responsible).
- 4 Anything which happened in the past, stays in the past. (learn from it, and grow into the future)
- 5 Keep the agenda positive and focused. (we all know what is being discussed).
- 6 Deal with facts and look to gather information for

future meetings.

7 Be pro-active and work together.

8 Leave your ego at the door (in this meeting we are all equal)

9 Everyone to be open about their goals and vision for the future.

10 All input is valued.

11 Formalise by taking minutes and using flipcharts to record decisions.

This is your opportunity to leave your ego at the door. We all have an ego which does not want us to look bad, get ripped off or lose face with our family or friends. It is only your ego or belief in your self importance which allows conflict to happen. We worry about what other people will say and think, whether we are being listened to, how we are being treated and if the situation is fair or equal. The larger the family business, often the more conflict unless it is planned and managed professionally. It is up to you to take the first step to ensure your family has the best life by checking out

www.dreamachievers.net.au

If you would like more information on

Succession by Choice and would like to start your family in the right direction, ring 0749 383919 or call 0438 395255.



50% Investment Allowance for small business

What is The Temporary Investment Allowance?

As part of the economic stimulus package the Federal Government is offering businesses bonus tax incentives, in addition to the normal depreciation allowance, for new vehicles and plant and equipment.

Do second hand assets qualify?

No, this will not apply to second hand assets.

What are the incentives?

Small businesses may be able to claim a bonus tax deduction of **50 per cent on new assets costing \$1,000 and above**, where the asset is **purchased between 13 December 2008 and 31 December 2009**. These **must be installed ready for use by 31 December 2010**.

All other businesses (i.e. not classified as small businesses) may be able to claim a bonus tax deduction of **30 per cent on new assets costing \$10,000 and above**, where the asset is **purchased between 13 December 2008 and 30 June 2009**. These assets **must be installed ready for use by 30 June 2010**. Thereafter, a 10 per cent bonus will be available where an investment commitment is made by 31 December 2009 and the assets are installed ready for use by 31 December 2010.

What is a Small Business?

You are a small business if you are an individual, partnership, company or trust that:

- carries on a business for all or part of the income year, and has less than \$2 million aggregated turnover.

How is the Temporary Investment Allowance claimed?

In addition to normal tax depreciation, if eligible, you will receive an extra tax depreciation of 50 per

cent for small businesses, or 30 per cent for other businesses. This is claimed as a deduction in your Income Tax Return against income earned. The tax savings will be equivalent to the amount that would otherwise have been payable on the extra deduction. For example, should the purchase be for \$10,000 excluding GST, you will receive an extra \$5,000 depreciation in that year. Those in the marginal tax bracket of 31.5% (including medicare levy) will save \$5000 x 31.5% tax in that year being \$1,575.

Note that the asset has to be predominantly used for business purposes.

Who is eligible?

The bonus deduction is to be claimed by the taxpayer entitled to tax deductions for depreciation of a particular asset.

For example:

The hirer in the case of a hire purchase agreement

The borrower in the case of a chattel mortgage, bill of sale or bank loan.

The purchaser in the case of cash payments made.

Is there a minimum amount that I have to spend?

Yes, qualifying small business entities will need to spend a minimum of \$1,000 per asset in order to qualify for the investment allowance to apply. All other businesses will need to meet a minimum expenditure threshold of \$10,000.

What assets are eligible?

The temporary investment allowance is available for new, tangible depreciating assets, or new expenditure on existing eligible assets greater than \$1,000 for qualifying small business, or \$10,000 for other businesses.

'New' refers to assets that have not been used by anyone, anywhere.

Demonstrator vehicles can qualify as 'new' assets provided they have been used for reasonable testing and trialling.

Examples of assets that qualify are:

- Cars
- Trucks
- Plant and equipment
- Computer hardware
- Agricultural equipment

Are there any assets that do not qualify for the bonus deduction?

Yes, for example;

- Intangible assets such as intellectual property rights
 - Shares
 - Cars using the 'cents per kilometre' method
 - Land
 - Trading stock
 - Horticultural plants, establishment of carbon sinks
 - Capital works – buildings, construction expenditure
- Will the car limit apply to the Temporary Investment allowance?**

Under the depreciation provisions, luxury cars (those that cost more than the car limit) have their cost reduced to the car limit for the purpose of calculating depreciation. As the Temporary Investment Allowance relies on the core depreciation provisions of the Income Tax Act, the car limit will apply to eligible luxury cars.

This means that a taxpayer who is eligible to claim the extra depreciation on their luxury car will have to use the car limit when working out the amount of their deduction.

The car limit for 2008-09 is \$57,180.

Please do not hesitate to contact me, should you have any further queries.

Regards

Katrina Mulligan

**Benson & Olsson Accountants
Rockhampton.**

Phone: (07) 4928 5324

HEALTHY SOILS — HEALTHY FUTURES

ADDRESSING BIOLOGICAL, CHEMICAL AND PHYSICAL ISSUES.

WHO: Graziers, grain growers, land managers, agronomists and researchers

WHAT: Healthy soils: Healthy Future Workshop

WHEN: Monday 1 and Tuesday 2 June 2009

WHERE: Biloela Civic Centre

Keynote speaker



Dr Elaine Ingham PhD is an internationally recognised scientist-researcher with a wealth of knowledge gained from years of intensive research into the organisms which make up the soil food web. Elaine not only understands the soil food web, she has knowledge on how to ensure a healthy soil to promote plant growth and reduce reliance on inorganic chemicals. Her career includes positions such as:

Affiliate Professor, Graduate Research, South Cross University, Lismore, NSW,

Australia; Courtesy Research Associate Professor, Department of Forest Science, Oregon State University. Currently Elaine is the director of Research and President, Soil Foodweb Inc, which runs 12 laboratories including 'Soil Foodweb Institute Laboratory' in Lismore, NSW.

Day 1: Monday 1 June

- Registration from 7:30 am.
- Start at 8:00 am, finish at 5:00 pm.
- Productivity issues for CQ agricultural systems will be addressed: soil fertility decline, soil organic carbon loss, nutrient availability for plants, compaction and erosion.
 - A practical over view on soil biology's interaction with chemical and physical properties and the impact on soil fertility and productivity.
 - Nutrient cycling, retention and plant availability.
 - Increase soil organic matter, the role of specific soil organisms in nutrient availability.
 - Soil structure - impact on water holding capacity, how to reduce compaction.
 - Tips on how to minimise weed pressure, optimize residue management and maximise ground cover.
 - Reducing fertiliser/chemical inputs with alternative biological management techniques to maximise production efficiency.
 - Compost tea - overview, assessing a good quality compost tea and the results of the application.
- Each session will conclude with an interactive question-answer session.

Day 2: Tuesday 2 June

- Registration from 7:30 am.
- Start at 8:00 am, finish at 1:00 pm.
- Practical application of the theory visited during the first day.
- Local on-farm research and demonstration sites results will be discussed individually. Fertility and productivity issues will be addressed for each site providing practical and specific recommendations.
- Workshop participants will be able to hear about the local trials and hear first hand Dr Elaine Ingham's thoughts on the results to date.
- There will be an interactive question-answer session.



For more information call Biloela Research Station 4992 9156 or 0749 923 468

Property planning and design on show at Muldoon, Morinish

The Morinish Landcare Group are once again hosting a meeting and field day combined to highlight some of the exciting changes being introduced by progressive grazing families in the Rockhampton region.

The next Morinish Landcare Meeting will be held at "Muldoon", 90 km north of Rockhampton on the Glenroy Road, the home of Richard and Victoria Moffatt. Richard and Victoria purchased the property in 2008 and have developed a whole of property plan and are full steam ahead to implement some major changes.



Richard, Aisling and Victoria Moffatt.

They had decided it was important to make the property a viable business to ensure the land is in a continually improving condition. Being new to the region, they initially asked many questions of the local graziers and NRM specialists and sought forward thinking supporters to gain as much knowledge as possible before making future plans. They attended training with RCS and Grazing BestPrac before developing a property plan with the assistance of Mick Alexander to take advantage of the properties best attributes. One of Richard's key issues was to fence to landtype and get water into every corner.

Richard said, "In the past 9 months, we have been working hard to establish the watering system and have now buried more than 8km of the 30 km reticulated watering system and are finalizing more than 50,000 gallons of water storage in the next 2 weeks. We aim to have more than 2 litres per second of water available at every trough in a few months time." It will be exciting to have the meeting at Muldoon as we are always open to new ideas and feedback as to how we can do our development even better".

Morinish Landcare Meeting 9.30 am for smoko and 10.00 am for the meeting. The Field day will begin after the meeting at 11.00am. RSVP to Nev Mills 49 347 554 or 49 396534 for smoko, BYO lunch, a hat and a chair.

Coming Workshops/ Meetings—

Biloela “Healthy soils” W/Shop	1st & 2nd June
Wycarbah TOGG Workshop	8th & 9th June
Morinish Landcare Meeting	10th June
Tambo BestPrac Meeting	15th June
Blackall TOGG Workshop	18th & 19th June
Mundubbera TOGG Workshop	22nd & 23rd June
Emerald TOGG Workshop	25th & 26th June
Roma TOGG Workshop	16th & 17th July
Tara TOGG Workshop	20th & 21st July
Bundaberg TOGG Workshop	13th & 14th Aug
Gympie TOGG Workshop	17th & 18th Aug

Centrelink Professional Advice grants.

Grazing BestPrac is a registered provider of services for Centrelink. So, if you need a viability assessment or training linked to a succession plan or drought plan, please give us a call ASAP 0438 395255.

Feed Budgeting can make you Money:

How much GRASS do you have right now??

Could save you or cost you thousands??

Onfarm course—Fully subsidised to approved primary producers. Be quick to arrange this one.

It is imperative to carry out at least one annual (more often if possible) feed budget, to assess the ability of the land and pasture resource to adequately feed the desired stock numbers for the full period until the next expected rain. In the past we have used experience to help us make decisions. However, in many cases, experience is a poor teacher as we are sometimes too conservative and sometimes too hard on stock numbers or amount of grass.

Three basic methods:

- Photo standards (Kg/Ha)
- Cut and weigh pasture biomass
- Estimate standing feed in stock days

Would like to know more,

give Mick a call 0438 395255.

Workshops coming in July 2009

Approved Tax plans

If you are wanting to claim capital costs for property development work, then you may be able to claim it as a deduction in the year of cost, if you have an approved tax plan developed by an approved farm consultant, under the Landcare Operations section of the Australian Taxation Act.

<http://www.ato.gov.au/businesses/content.asp?doc=/content/33531.htm>

Landcare operations cover what were previously known as land degradation measures. You can claim a deduction in the year you incur capital expenditure on a landcare operation for land in Australia. The deduction is reduced if the land is not used wholly for either:

a primary production business, or
a business for the purpose of producing assessable income from the use of rural land – except a business of mining or quarrying.

A landcare operation is one of the following operations:
eradicating or exterminating animal pests from the land
eradicating, exterminating or destroying plant growth detrimental to the land
preventing or combating land degradation other than by the use of fences
erecting fences to keep out animals from areas affected by land degradation to prevent or limit further damage and help reclaim the areas
erecting fences to separate different land classes in accordance with an approved land management plan
constructing a levee or similar improvement, or
constructing drainage works - other than the draining of swamps or low-lying areas - to control salinity or assist in drainage control.

An approved land management plan is a plan that:
shows the different classes within the land and the location of any fencing needed to separate any of the land classes to prevent land degradation
describes the kind of fencing and how it will prevent land degradation, and
has been prepared by, or approved in writing as a suitable plan for the land by:
an officer of an Australian government agency responsible for land conservation who has authority to do so, or
an individual who was at the time approved as a farm consultant.
Grazing BestPrac (Mick Alexander) is an approved farm consultant who can develop a plan for your purposes. 0749 383919

