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Rural communities are rebounding from the drought with fresh ideas for attracting new business to the regions.

Report: Leo D'Angelo Fisher

BUSH BOOM

● Laura Fell – turkey farmer, agribusiness consultant and MBA graduate – symbolises the new breed of business person emerging from the Australian bush.

As the rural sector regains its feet after a battering by sustained drought, volatile agricultural commodity prices and most recently the global financial crisis, Fell says that the only certainty left for the bush is that things will never be the same again. Protecting the past, she believes, now lies firmly in securing a future based on innovation.

She is concerned about the decreasing number of farming families as Australia moves towards fewer, larger farms in search of economies of scale and the adoption of the corporate model of farming.

The number of farms in Australia has fallen from 196,000 in 1969 to 150,000 in 2007. In 1969, the average farm size was 2500 hectares, which by 2005 had increased to 3400 hectares, Productivity Commission data shows. The number of people directly employed in agriculture has declined from 430,000 in 1967 to 360,000 in 2008.

“I wonder what rural communities are going to look like in the future,” Fell says. “As Australia moves to a population of 36 million by 2050 I also worry about Australia’s food security.”

Having raised chickens in the past, Fell and her husband Ron farm turkeys in the McLaren Vale region south of Adelaide. She has served as



LOCAL INTELLIGENCE

● Lara Wilde started the online information service Local Intelligence in Toowoomba, south-east Queensland, four years ago as "something I dabbled in part time", but the service has since grown into a national business that supports five employees working from remote locations.

Although treechangers don't need convincing, Wilde believes most urban Australians hold negative stereotypes about life in rural and regional Australia. Her aim in starting the website was to bridge that knowledge gap.

"It's very frustrating that people have such a negative image of the bush," Wilde says. "With so many people writing it off, it's not surprising that a lot of people [in the cities] are saying, 'Why would we move there?'."

In 2006 Wilde wrote *Welcome to the Bush*, a guide to living in rural communities, which she sold online. To her surprise, she started receiving orders from South Africa, Zimbabwe, Canada and the United Kingdom from families and businesses considering a move to Australia.

Local demand led to additional online services such as information about living and working in rural communities and job listings. Recruitment firms and employers use the service to provide employees relocating to the bush with detailed information about their new community including a welcome service that provides them with local contacts.

Wilde is on the road 45 weeks a year, cataloguing rural and regional communities nationally for the website,



● ●
There's no reason you can't have an internationally competitive business wherever you are in Australia


Lara Wilde, above, Local Intelligence founder

speaking at schools and seminars, and organising events. She is also a regular on radio profiling bush communities and sharing her adventures as she crisscrosses the nation.

As well as wanting to attract urban Australians and overseas migrants to the bush, Wilde hopes her website will help "break down the many barriers between the city and the country which have been built on ignorance".

"There's a false belief that if you're in a bush town it's all about agriculture, but many of these towns are so diverse and offer so many wonderful opportunities – I just want people to know about it," she says.

Of her own business, she says it demonstrates that "with the internet there's no reason why you can't have an internationally competitive business wherever you are in Australia".



Dynamic communities are taking charge of their futures

Lara Fell, above, agribusiness consultant

a director of the Australian Chicken Growers' Council and vice-president of the South Australia Chicken Meat Council. However, as her concern about the challenges facing farming grew, so did her desire to contribute more.

This led to her decision to study for an MBA at the University of South Australia. "I knew that I needed to develop more skills," she says.

Now a director of livestock industry organisation Animal Health Australia and chairman of investment company Environmental
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COUNTRY LIFE LURES LAB

● Third-generation family business Race Dental Laboratory decided Sydney was too expensive to build a 2000 square metre research and development and manufacturing facility there. So it went bush.

The North Ryde business, founded in 1936, purchased a disused grain silo in Woodstock, in central New South Wales, which it will convert into a \$10 million high-tech dental facility. RDL considered outsourcing its manufacturing to China – as many of its competitors have done – but managing director Brad Race says the decision to keep its manufacturing capacity in Australia was “a bit of a moral issue for us”.

RDL develops and manufactures dental products such as crowns and bridges, mouthguards, acrylic dentures, sleep apnoea devices and removable prosthetics using computer-aided design and manufacturing technology (CAD/CAM).

The business employs 120 people and will maintain its Sydney operation, which includes a software development arm. The Woodstock facility will concentrate on developing new technologies and new products and will house sophisticated milling and laser centring equipment.

A new RDL company, Open Health, may eventually be involved in manufacturing artificial hips and knees in Woodstock.

Construction of the facility is expected to commence this year. In the meantime, RDL will open a temporary facility employing up to 20 people, including CAD/CAM trainees, machinists, dental technicians, warehouse staff and office personnel.

“We want to employ local people because given the opportunity, they want to stay in the bush,” Race says.

The benefits of locating in Woodstock, 25 kilometres north-east of Cowra, include an airport in Cowra (with 45-minute flights to Sydney’s Bankstown airport), reliable telecommunications and a “pro-business” council, Race says.

Cowra Shire Council has committed \$600,000 to secure the RDL development – \$300,000 in cash, and the rest in the construction of roads and other amenities – and the NSW government has provided \$380,000.

“We’ve made a commitment,” Race says, “to spend that money in the community.”

The three Race brothers who own RDL – Brad, Matt and Anthony – have also purchased the Woodstock Hotel for \$235,000, which they are refurbishing at a cost of \$1 million.

Precision work:
Race Dental
Laboratory’s
managing director
Brad Race



● COVER STORY

Continued from page 19

Energy Australia, Fell also runs her own agribusiness consulting business from her farm.

Fell believes there is always more to learn. Last year she graduated from the Australian Rural Leadership Foundation’s leadership program and she recently qualified as a mentor for emerging rural women leaders with the Rural Industries Research and Development Corporation.

Fell is heartened by positive changes in the bush. “I’m getting a very strong sense of dynamic communities taking charge of their futures; they understand the need for change and they’re altering their expectations. There’s a lot of innovation in these communities.”

FREE Eyre is an example of a community taking charge of its destiny. After years of drought and poor prices, in 2007, following a series of community meetings, 250 farmers, businesses and residents from South Australia’s Eyre Peninsula invested \$880,000 to create their own marketing and rural investment company. (FREE stands for Fresh Rare Enticing Eyre.)

FREE Eyre’s role is to research, develop and commercialise business opportunities. A second capital raising program in 2009 raised \$1.3 million and a \$2 million share offer was launched in February.

Chief executive Mark Rodda emphasises that FREE Eyre is much more than a farmers’ co-operative. “We’re not just doing this to feel good about ourselves. We’re building a business, a series of businesses,” he says.

FREE Eyre’s first business was a joint venture with Melbourne grain management company Emerald Group Australia to form grain marketer EP Grain in 2008. EP Grain has so far bought \$175 million worth of grain from local grain growers.

Late last year FREE Eyre launched its second business, EP Storage, which operates a \$1.6 million grain storage facility in Taragoro on the Eyre Peninsula. (The business is 51 per cent owned by FREE Eyre, the rest by local investors.)

FREE Eyre has 375 shareholders and Rodda is exploring further business opportunities in bulk storage, light manufacturing and processing, logistics and distribution. He also foreshadows expanding the company’s interests beyond the Eyre Peninsula and the board has agreed to permit shareholders outside Eyre to invest in the company.

“I see FREE Eyre as a rural investment vehicle that will one day outgrow the Eyre Peninsula and replicate our model in other regions. The only proviso is that we will never go into a business that puts a local out of business.”

● ●
Taking charge of one’s own destiny and having a vision for the future have become important issues in regional development

Tamworth, NSW, mayor
James Treloar

Farmers aren't the only ones banding together. Seven inland regional cities in New South Wales – Albury, Armidale, Bathurst, Dubbo, Orange, Tamworth and Wagga Wagga – have formed the Evocities (Evo for energy, vision and opportunity) coalition in a bid to lure Sydney residents. The project will start with a three-year marketing campaign in September.

The councils will contribute \$840,000 to the campaign, the mayor of Tamworth, James Treloar, says. The federal government has kicked in \$1.2 million.

“The campaign will challenge people's perceptions about living and working outside Sydney by presenting regional cities in a new light. When people see the quality of life, the facilities and the employment and investment opportunities that exist in these cities, they will be amazed,” Treloar says.

The campaign will also tackle perceptions that regional cities have been ravaged by drought, and more recently flood, Treloar says. “We want people to know about the resilience of regional economies. Regions have become a lot smarter about economic development and growth strategies.

“Taking charge of one's own destiny and having a vision for the future have become important issues in regional development. Local government is taking a leadership role in economic development across Australia.”

Cowra in central-west NSW fits that bill. As well as actively attracting new businesses to Cowra, the shire council's “economic gardening” program aims to strengthen the local economy by helping existing businesses expand.

The program, based on a popular regional development strategy from the United States, emphasises the value of expanding an economy from within by providing small business owners with the information and skills to develop their businesses. (Cowra is the third council in Australia to use the model after Shellharbour and Port Macquarie, also in NSW.)

Cowra business officer Mike Foster says 50 local businesses completed the program last year. In February another 21 businesses signed up for the one-year program. Subjects covered in program workshops include financial management, human resources, succession planning, marketing and e-commerce.

Local plumber Gordon Clements says the program has been a boon for his business. “It's sometimes hard to stay motivated when running a small business and the program gave me the opportunity to get excited about my business again,” he says. “I am already implementing the new skills I have learnt.”

In addition to the economic gardening program, the council has an entrepreneur program for local Aborigines and a young entrepreneur program which supports young people in setting up their own businesses as an inducement to remain in the shire.

REMOTE POSSIBILITIES

● Matthew Pryor had already established and sold a successful software company when he met Simon Holmes a Court, scion of the famous dynasty, in California's Silicon Valley. Both were working in the United States high-tech capital during the dotcom boom.

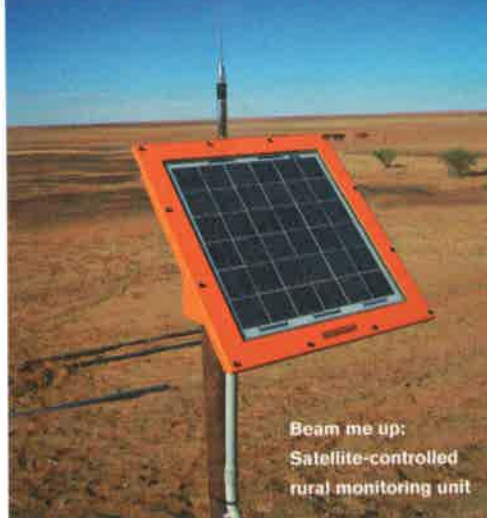
When they returned to Australia they invested in a fledgling West Australian business testing remote monitoring technology for the pastoral industry. In 2003, Pryor and Holmes a Court invested in a prototype telemetry system developed by Gino Garbellini and the three men formed technology company Observant.

The technology – which integrates digital cameras, solar power, radio signals and proprietary software – was refined and tested on a Northern Territory cattle station owned by the Holmes a Court family and the first sale did not come until three years later, when Observant had established its headquarters in Melbourne. (Pryor is chief executive and Holmes a Court is chairman.)

The Observant Remote Management System enables primary producers to monitor water supplies, farm infrastructure such as electric fencing and bore pump engines and animal movements from a personal computer or hand-held device. Data is transmitted from remote units installed at water points on their properties using UHF radio and broadband technologies.

Primary producers are pragmatic about farm technology, Pryor says, and that is Observant's approach. “We have always sought to be regarded as an agricultural equipment company rather than a technology company. We wanted producers to look at us in the same way they look at an engine or piece of equipment designed to improve efficiency and lower their costs,” he says.

Installed on 85 properties, the units are sold nationally through a network of 40 agricultural equipment resellers. Observant employs 15 people and is also exporting to New Zealand, where it has 15 sites, and the US.



Beam me up:
Satellite-controlled
rural monitoring unit

Despite recent rain, the drought in the region is now officially in its eighth year and irrigation reserves remain perilously low. Foster says the shire's agricultural sector (principally wheat, sheep and canola as well as grape growing for wine), which accounts for 45 per cent of the shire's business enterprises, has been under pressure, which underlines the urgency to create a more diverse economy.

“The stress of the drought produced a cold, clinical look at our approach to economic development,” he says.

“Cities like Wagga and Dubbo, rather than just relying on agriculture, have always had other industries to help smooth out any radical change to the economy, and that's something we've lacked because we've had such a strong agricultural base in the past.

“Cowra's agricultural community is still strong and when things improve in the sector we'll boom on that alone. But by thinking outside the square our economy will be even stronger and more sustainable.”

With Treasury forecasts placing Australia's population at 36 million by 2050 (currently it is 22 million), regional communities believe this is their chance to pick up some of the population spillage as the capital cities stretch to capacity.

The National Sea Change Taskforce, which represents coastal councils, estimates that at least 4.8 million of the additional population will have to be accommodated in non-metropolitan coastal areas because capital cities won't be able to absorb the expected growth.

That's music to the ears of a business-funded campaign aimed at attracting Melbourne residents to East Gippsland on Victoria's eastern coastline. East Gippsland Marketing launched its “Victoria's east” campaign in 2009 to attract potential investors and seachangers.

The chairman of East Gippsland Marketing is Richard Rijs, former long-time chief executive and now director of listed Four'N Twenty pies manufacturer Patties Foods, which is based in the East Gippsland city of Bairnsdale.

Rijs notes that the projected increase in population, coupled with the expected rush of baby boomers retiring to coastal communities over the next 15 years, could see East Gippsland's population increase from 42,000 to 88,000 by 2050.

“That's the kind of critical mass that regions need to attract and retain important infrastructure such as health and education facilities,” he says.

“Infrastructure gives families the confidence to locate to a regional community, and that gives industry the confidence of a reliable, local workforce.

“You see a lot of regional towns that don't have that critical mass and all it takes is the loss of a few students for a school to close or the local footy team to be disbanded.” **BRW**