

WHO CAN HELP ALONG OUR SUCCESSION JOURNEY?

THE ROLE OF ADVISORS IN SUCCESSION PLANNING

Enlisting professional advice will help ensure the succession process covers all aspects of the family and business – legal, financial and economic – all while ensuring the process is as harmonious as possible. Using advisers also gives an opportunity for an outside view of the succession plan and input from those who see examples of good and bad succession planning every day.

This factsheet brings together the roles of the five professionals we interviewed in our [Succession Toolkit](#) - a succession planning expert, an accountant, an agribusiness banker, a farm business consultant and a lawyer.

Why is external and independent advice important in the succession planning journey?

- It's a complex process. Don't try to navigate it alone. Work with people that deal with these issues every day.
- Farms are a complex mix of extremely valuable assets accumulated over generations. Get specialised knowledge in so you aren't flying blind.
- You will avoid coming up with scenarios that just don't make sense from a tax planning and business structure perspective.
- Ensuring everyone gets a say and is heard is sometimes difficult and meets everyone's expectations.
- Experts have seen so many different situations and they also have seen processes handled well and handled badly.
- Careful planning is important to avoid losing it all to tax or litigation down the track.
- The business needs to be in a viable position. An assessment of the current situation is needed. Your trusted consultants can assist with this.
- The plan needs to be documented properly to ensure all parties are protected and understand their rights and obligations.
- The cost of failure can be high. If handled poorly, it can lead to irreparable damage for the farm, the business and family relationships.



No one advisor has expertise in all areas! Qualified professionals you may involve in your succession planning process include:

- A financial or **succession planning expert** who specialises in the topic and working with families such as yours.
- A **moderator** or **facilitator** to help with family discussions.
- Your **banker** to help with finance questions and decisions.
- Your **accountant** who has a detailed history of your business and important tax and business structure knowledge.
- Your **solicitor** who specialises in family farming and taxation issues.

One of your advisors may fill a number of these roles.

"Succession is best undertaken with the objective advice of professionals. Typically this might cost \$30,000 in consultancy fees. Spreading this cost over a full generation of farming and in the context of the value of the business and family relationships at stake, this is a prudent investment. The cost of failure can be high.

- [Farm Succession MyMilk](#)



DISCLAIMER: The information in this factsheet is for informational purposes only.

It is not to be relied upon to make any lending or business decisions as it does not consider your individual circumstances.



Department of Primary Industries

Young Farmer Business Program



Succession Planner

The role of a succession planner is to assist the family to be clear in both a financial sense as well as in regards to their communication process. A succession planner may also fill the role of facilitator.

As noted by Ben Chartres ([Peppin Planners](#)), "The role is to sit with the family: between the lawyer, accountant, farm consultant, financial planner and banker. A good succession planner isn't facilitating conversation, they're facilitating an informed conversation. They are helping the family build their expertise in the family business dealing space because the key thing for most families is that you only get to do this properly once."

Agribusiness Accountant

The accountant's role can range from a reactionary one where they just provide the tax outcomes for various transfers/disposal of assets through to that of a trusted advisor who can facilitate the process for the family.

Jason Croker ([RSM Australia](#)) could not emphasise enough the importance of communication throughout the entire process between the family members and their accountant. "The Accountant can bring structure and a process that the family can work through which otherwise left to the family can lead to undesirable outcomes," he explained.

Agribusiness Solicitor

A solicitor's role in succession planning includes the following:

- advising family members on the legal ramifications of each stage of the succession process.
- drafting and advising family members in relation to contracts, transfers, leases and agreements between family members and also third parties such as banks and tenants.
- advising family members in relation to business structures and land-owning entities.
- drafting and advising family members in relation to estate planning documents such as Wills, powers of attorney and appointments of enduring guardianship.

Patrick Barrett ([Walsh & Blair Lawyers](#)) explained that in doing the above so it is often preferable for a solicitor to work in conjunction with the family's accountant, bank manager and other consultants, to ensure that all aspects are covered in the transition of farmland and farm businesses between family members over time.

Why is a facilitator's role important? ([GRDC/Judy Wilkinson/Lyn Sykes](#))

- Fundamental value differences exist between different generations. It isn't necessary to agree with the values of different generations, but it is essential to understand the difference and to be aware of how each group sees the world based on their experiences. A facilitator provides independence, objectivity and control.
- It might be difficult for a family member to facilitate a succession meeting as they are a stakeholder and a family member, with their own views and opinions.

Agribusiness Banker

Planning for succession creates opportunity for farms to build goals and set themselves up for future growth, all of which your banker can assist you with. They play a key role in discussing and assisting with the financial implications, including impact on cashflow, of the transition.

They can assist with:

- purchasing a house off-farm for the current owner's parent's retirement.
- building up off-farm assets for family members not returning to the farm.
- ownership changes to business structure and asset ownership.

Farm Business Consultant

The role of your farm business consultant during the succession process includes being a sounding board, being there to assist in building strategies, developing and testing goals and setting business expectations. They can assist in analysing your current business as well as working with the next generation to ensure sustainability and growth.

Emily Alexander ([Agripath](#)) explains the topic of succession is not a one-time conversation. Rather, it is something she discusses each time she meets with her clients.