



'Meeting the Bank' in Malanda

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During March 2019, Subtropical Dairy in conjunction with Dairy Australia, ANZ and Suncorp hosted a series of evening dinners and discussions between current and aspiring dairy owners and senior regional loans officers. These dinners were held in Gympie, Toowoomba, Kalbar and Malanda. This article gives an overview of the night at Malanda.



Subtropical Dairy hosted a 'Meet the Bank' evening in Malanda on Tuesday 12th March. Jeffrey Schrale, ANZ Regional Executive Far North Queensland, facilitated the session which was well attended by 14 farmers, representing seven farms. Jeff's presentation was both interesting and informative with some of his key messages listed below:

- The ability to demonstrate servicing on a loan is now more important than the security farmers are able to provide. While security is important, our main area of focus is the ability of the business to service the debt. A customer's character also plays a vital role in the decision made by the Banker. Bankers want to deal with people who are of high character and have intentions to repay the debt.
- If the business is a start-up, the bank will require full cash-flows prepared that demonstrate how the business will trade in the coming years. Cash-flows are also necessary where something is changing in the business such as an expansion.
- In the past, historical trading through collection of past financial reports played a key part in determining a customer's risk as it presented to the bank. Today with loans under \$3 million there is a lot more focus on current trading performance, how accounts are fluctuating, and excesses on accounts.
- The banker-customer relationship is an important one, given the banker represents the customer to bank colleagues and credit partners. Some of these relationships may be long distance e.g. regional to head office branch. The banker should have an understanding of the dairy industry and they need to be able to show this on paper, and verbally do a good job in representing the customer's business to credit partners.
- Being able to represent their own business through business plans and cash flows will help in ensuring customers get the right level of support for their business. ■ ■

Subtropical Dairy received great feedback from the evening, with lots of questions being asked. We would like to thank Jeffrey Schrale, ANZ and Don Brown, Suncorp for making these evenings possible.