

BRINGING THE NEXT GENERATION HOME: FIVE CONVERSATIONS EVERY FARMING FAMILY SHOULD HAVE

Bringing the next generation into a family farming business can create valuable opportunities for continuity, growth and fresh ideas, but it also requires careful planning and open communication. This article explores five key conversations that can help families align expectations before misunderstandings arise. It highlights the importance of clearly defining employment arrangements, decision-making responsibilities and the distinction between working in the business and owning it. It also encourages families to discuss their long-term vision for the farm, including succession, retirement and the role of other family members, while establishing practical ways to manage disagreements. By addressing these issues early and documenting important decisions, farming families can strengthen both their business and their relationships, creating a more confident path for the future.

INTRODUCTION

For many farming families, bringing a son or daughter home to work in the business feels like a natural progression. It may be anticipated for years or can happen quickly when circumstances change or extra help is needed.

The potential benefits are obvious: parents gain trusted support and the next generation has the chance to build a future on the farm. A returning son or daughter may also have a partner who becomes involved in the business or community. But even where everyone shares the same broad goal, they may have very different ideas about what “coming home” means.

Those different ideas are rarely caused by bad intentions. More often, important expectations were assumed rather than discussed. Having a few practical conversations early can help protect both the business and the family relationships behind it.

WHAT DOES “COMING HOME TO THE FARM” ACTUALLY MEAN?

The first conversation should clarify everyone’s understanding of the arrangement.

Is the returning family member taking a short-term job, beginning a long-term career in the business or testing whether farming is right for them? Do they intend to stay for one season, several years or indefinitely? Is there a pathway to greater responsibility, or is the immediate need simply another capable person on the team?

The practical details matter too. What will they be paid? What hours and leave arrangements will apply? Will housing, a vehicle or other benefits form part of the arrangement? If their partner contributes through

bookkeeping, transport or seasonal work, or takes on more at home during busy periods, how will that contribution be recognised?

Consider a daughter who leaves a secure job in Geraldton and returns with her partner and children. Her parents may see a good wage, a vehicle and a house as a generous opportunity. She may see the move as the beginning of a permanent role and an eventual stake in the farm. Neither view is unreasonable, but the difference should be identified before major life decisions are made.

WHO MAKES THE DECISIONS?

Working together does not necessarily mean deciding everything together from day one.

The older generation may have decades of experience, established relationships with advisers and responsibility for substantial debt. The returning generation may bring new skills, technology and ideas about machinery, cropping programs or diversification. Both perspectives are valuable, but tension can arise when responsibilities are unclear.

It helps to distinguish between day-to-day operational decisions, significant financial commitments and longer-term strategic decisions. A returning son might be authorised to manage spraying and staff during seeding, but not to purchase machinery or change finance arrangements without discussion.

Clear responsibilities allow people to perform their roles confidently and reduce the risk of decisions being duplicated, reversed or avoided.

Responsibilities should be reviewed as experience and trust grow. A role suitable in the first year may be too limited after five years.

OWNERSHIP IS DIFFERENT FROM EMPLOYMENT

A common misunderstanding is that working in the family business will automatically lead to ownership.

Employment, management and ownership are separate things. A person can be well paid without owning part of the business. They can manage major parts of the operation without owning the land. They can also hold an ownership interest without controlling every operational decision.

Families should be careful with broad statements such as “one day this will all be yours”. Such statements may be intended as encouragement but can be heard as a firm promise. Meanwhile, siblings who work elsewhere may have their own understanding of what will eventually happen to the farm.

Where significant decisions are made in reliance on those expectations, the consequences can extend well beyond disappointment or family disagreement.

A family may not be ready to settle every ownership question before the next generation starts work. It is, however, important to be clear about what has been decided, what remains open and what should not be assumed. Important decisions should be recorded so that memories do not become the only source of truth years later.

WHAT DOES THE FUTURE LOOK LIKE?

Succession is not a single event. It is usually a gradual transition involving work, responsibility, income, control and, eventually, ownership.

A useful starting point is to ask what each person hopes the business will look like in five, ten or twenty years. Do the parents eventually want to retire completely, reduce their workload or remain involved? Does the returning family member want to run the existing operation, expand it or pursue a different enterprise? Is the business expected to support more than one household? What role, if any, will other children have?

Circumstances will change. Seasons vary, health changes, relationships evolve and children may choose different paths. Unexpected events, such as the sudden death or incapacity of a key family member, can also bring succession arrangements into focus much sooner than anticipated. Having a shared understanding of the family's longer-term intentions can make it easier to navigate those events if they arise.

Partners should also be included in appropriate discussions. A move to the farm may affect their employment, housing, childcare, finances and connection to the local community. They need not participate in every operational conversation but excluding them entirely can leave them relying on assumptions about their own future.

HOW WILL WE HANDLE DISAGREEMENTS?

Occasional disagreement is normal in any business, especially one in which family history, identity and livelihood are closely connected.

The aim is not to avoid every difficult conversation. It is to create a habit of dealing with issues before they become personal or entrenched.

Regular family business meetings can help. A discussion after seeding or harvest may be enough, provided everyone can raise concerns and decisions are followed up. It is also helpful to keep business discussions separate from family activities.

When an important decision is made, write down the outcome, who is responsible and when it will be reviewed. If the family keeps circling the same issue, or discussions are becoming heated, an independent

professional adviser may help the family identify options and find a constructive way forward before positions harden.

STRONG BUSINESSES, STRONG RELATIONSHIPS

Successful farming businesses are built on strong relationships, which help families endure tough seasons and make the most of good ones. Bringing the next generation home can create opportunity, continuity and renewed energy, but goodwill alone cannot prepare a family for every challenge that life and farming may bring.

The best time to discuss expectations is before they become a source of friction. A conversation today about roles, decisions, ownership, the future and disagreements can provide clarity for years to come.

Every farming family is different. If your family is considering succession, bringing the next generation into the business or navigating changing family circumstances, obtaining advice early can help provide clarity and confidence for everyone involved.

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