

NSW RURAL ASSISTANCE AUTHORITY  
ANNUAL REPORT  
2008-2009





### ***Annual report for the year ending 30 June 2009***

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ABN 17 283 358 394

The Hon Ian Macdonald MLC  
Minister for Primary Industries  
Minister for Mineral Resources  
Minister for State Development  
Level 33 Governor Macquarie Tower  
1 Farrar Place  
SYDNEY NSW 2000

Dear Minister

We take pleasure in presenting the 2008-09 Annual Report for the NSW Rural Assistance Authority. This report is offered for your information and presentation to Parliament.

In order to comply with the requirements of the Annual Reports (Statutory Bodies) Act 1984 and Division 3, section 10 of the Rural Assistance Act 1989 an extension of time up to 15 November 2009 was granted by the NSW Treasurer for the following reasons:

- The audit of the Authority's financial reports while scheduled to commence on 12 September 2009 is not scheduled to be completed until 20 October 2009. This time frame will not allow the Authority sufficient time to have the Annual Report proofed, printed and issued by 31 October 2009.

The above factors have resulted in delays in the submission of the Authority's report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ian Rowe".

**Ian Rowe**  
Chair

A handwritten signature in black ink, appearing to read "George Davey".

**George Davey**  
Chief Executive

New South Wales Government



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A National Rural Advisory Council review during the financial year resulted in the revocation of Exceptional Circumstances (EC) in many areas of the state of New South Wales; however the southern and western areas of the state continue to experience an Exceptional Circumstance event with support remaining in place until at least early 2010.

During the financial year the Authority received over 11,000 EC applications and approved 9,500 interest rate subsidies valued at \$263 million. Since the initial declaration of Exceptional Circumstances in NSW the Authority has processed almost 47,000 applications approving approximately 39,000 subsidies valued at \$1.2 billion.

NSW is a state of climatic extremes; while much of the state remains drought declared as of June 2009, extreme climatic events resulted in 30 natural disaster declarations during the financial year. The Authority processed over 150 Natural Disaster Relief loans and 340 grant applications with total support to affected primary producers and small businesses approximating \$11.5 million.

The Special Conservation Scheme attracted 371 applications and \$18.6 million in low interest rate loans in the financial year ending 30 June 2009. This scheme continues to prove an effective incentive to the state's farmers encouraging both a positive response to climatic change and improvements to the state's natural resource base.

The AgStart Scheme has been a practical support response to our younger generation of farmers. 360 applications were processed by the Authority with more than \$1.9 million in assistance provided. Measures of support included access to education and training in the planning process, stamp duty relief on property purchase and improvements in productive assets.

In December 2008 the Minister for Primary Industries, the Hon Ian Macdonald MLC appointed Mr. George Davey as Chief Executive of the NSW Rural Assistance Authority. George is the Deputy Director-General and Executive Director Fisheries, Compliance and Regional Relations with the NSW Department of Primary Industries. His skills and expertise are welcomed by all board members.

The Authority continues to benefit from the knowledge and skills of committed board members and staff. Their ongoing support will be invaluable in ensuring the ongoing success of the NSW Rural Assistance Authority.



**Fran Rowe**  
**CHAIR**

# INTRODUCING THE NSW RURAL ASSISTANCE AUTHORITY

## **A brief history**

The NSW Rural Assistance Authority can trace its history back to the creation of the Farmers Relief Board in 1932, which was charged with preventing creditors taking action against farmers on debts. In 1939 the Board became the Rural Reconstruction Board and in 1971 evolved into the Rural Assistance Board.

Eighteen years later the NSW Rural Assistance Authority came into being as a result of the *Rural Assistance Act 1989*, which amalgamated the Rural Assistance Board with the Rural Industries Agency of the then State Bank of NSW.

The Authority operated from Sydney in its various guises until early 1997 when it completed relocating to Orange in central western NSW. The relocation was designed to strengthen services to rural industries and give the Authority a regional presence with greater access to its client base.

## **Charter**

The function of the Authority as set by the 1989 legislation is to 'provide assistance, and administer programs for the provision of assistance, to farmers or other persons engaged in rural industries or any other persons eligible to obtain such assistance'. Assistance measures are funded by both the Australian and NSW governments.

While the rural sector is the Authority's principal client, it also deals with small businesses through administering financial assistance schemes for small businesses that have suffered loss or damage due to natural disaster.

## **Vision**

Rural industries and businesses capable of adapting successfully to changing circumstances with policies which effectively assist the achievement and maintenance of this capability.

## **Mission**

To administer, analyse and influence adjustment and assistance programs which encourage self-reliance, facilitate appropriate change and mitigate extreme events while being aware of the welfare of the people in the targeted business.

## **Objectives**

The Authority's three corporate objectives relate to administration of assistance under the Natural Disaster Relief Assistance, Rural Adjustment Scheme and Special Conservation Scheme.

They are to ensure that:

- NSW farmers, agricultural industries and the general public are aware of and have access to the assistance available when dealing with extreme events
- NSW farmers and farming-related small businesses increase their ability to resist and overcome financial challenges
- NSW farmers and agricultural industries utilise improved natural resource management techniques.

## **Excellence in service delivery**

The Authority recognises the importance of excellence in customer service and is committed to improving the quality of the services it offers. Excellence in service delivery is about identifying the needs of clients, ensuring that the service offered is relevant to those needs, and that the mode of delivery is appropriate for individual circumstances.

The Authority is sensitive to the challenges faced by rural NSW, in particular the varying availability of, and access to internet and email services as well as services for people with a disability.

The Authority's adaptability and commitment to meeting the changing needs of its diverse client base is evidenced by its multi-media approach to communication and its willingness to pursue new opportunities to provide rural NSW with information about its services.

## **Guarantee of Service**

In pursuing excellence in service delivery the Authority is committed to:

- providing information about the types of financial assistance available
- assessing applications fairly and impartially
- under normal circumstances, making an initial decision within 28 days of receiving an application
- not discriminating against a client who has difficulty understanding English and, if necessary, providing access to a free interpreter or translator
- providing clear decisions
- being honest, courteous and respectful at all times
- keeping personal information confidential as required by law
- being available for inquiries from 8.30 am to 5.00 pm Monday to Friday, excluding public holidays.

To achieve high service standards the Authority requests that clients:

- treat all staff with courtesy and respect
- provide all the necessary information to enable an accurate decision to be made
- notify the Authority if assistance is no longer required.

The full *Guarantee of Service* is available on the Authority's website and in the appendices of this report.



### *Performance at a glance*

Scheme	Applications Received	Applications Approved	Assistance \$
Natural Disaster Relief Assistance - loans	159	118	10,697,100
Natural Disaster Relief Assistance - grants	346	68	799,820
Special Conservation Scheme	371	270	18,631,199
Rural Adjustment Scheme – primary producer	10,504	8,741	246,155,639
Rural Adjustment Scheme – small business	1,068	785	17,622,670

A total of 106 new cases commenced under the *Farm Debt Mediation Act 1994*.



## OBJECTIVE 1

“ NSW farmers, agricultural industries and the general public are aware of and have access to the assistance available when dealing with extreme events. ”

### NATURAL DISASTER RELIEF ASSISTANCE

This scheme provides loans and grants to farmers and small businesses in rural and regional NSW to allow them to continue their normal farming and business operations following a natural disaster. Assistance is through recovery grants and concessional, fixed-interest rate loans with the interest rate fixed from the date of approval.

Applications must be lodged within six months of the declared date of the natural disaster.

In 2008-09 the Authority assisted applicants who were affected by natural disasters such as storms and floods. These events are listed in the following table.

#### Natural disaster declarations

Type of Event	Date of Event	Local Government Area Covered
Hailstorm	21/09/2008	Tabulam South (Tenterfield/Kyogle Shires)
Windstorm	14/10/2008	Kingstown (Northern Tablelands)
Hailstorms	20-21/10/2008	Coffs Harbour Region (Barraganyatti, Corindi, Eungai, Fishermans Reach, Grassy Head, Moonee Beach, Rollands Plain, Sandy Beach, Stuarts Point, Woolgoolga, Yarrahappini)
Hailstorm	22/10/2008	Tregeagle, Suffolk Park (Northern Rivers)
Hail, Wind & Snow	22-23/11/2008	Orange
Storms & Flooding	28/11-1/12/2008	Tamworth, Gunnedah, Narrabri, Walcha
Hailstorm	26/11/2008	Bellata
Hailstorms	26-28/11/2008	North West (Bourke, Brewarrina, Narrabri, Walgett)
Storms & Flooding	28-29/11/2008	Upper Hunter Valley
Storms & Flooding	13/12/2008	Liverpool Plains
Hailstorm	18/12/2008	Riverina (Leeton, Carathool, Griffith)
Hailstorm	18/12/2008	Tumbarumba
Hailstorm	18/12/2008	Young
Hailstorm	23/12/2008	Cootamundra, Harden
Bushfire	26-29/12/2008	Bland
Bushfire	6-18/01/2009	Wingecarribee, Shoalhaven, Goulburn, Mulwaree
Bushfire	15-16/01/2009	Penrith
Severe Storm	22/01/2009	Cootamundra, Harden
Severe Storm	20/01/2009	Bilbul (Griffith area)
Wind Storm	2/02/2009	Mildil (west of West Wyalong)
Storms & Flooding	13-18/02/2009	Walgett
Floods	14-15/02/2009	Mid North Coast (Bellingen, Coffs Harbour, Nambucca, Kempsey, Port Macquarie-Hastings, Greater Taree, Clarence Valley)
Floods	14-15/02/2009	North West (Bourke, Moree Plains)
Storms & Flooding	15-17/02/2009	Gwydir
Floods	13/03/2009	Rankin Springs
Storms & Flooding	30/03-01/04/2009	Mid North Coast (Bellingen, Clarence Valley, Coffs Harbour, Kempsey, Nambucca)
Heavy Rain & Flooding	13/04/2009	Rose Hill, Cullinga Creek (Cootamundra, Harden LGAs)
Storm	19/04/2009	Lord Howe Island
Rain & Wind Storm	25/04/2009	Balranald/Kyalite district
Storms & Flooding	20-22/05/2009	North Coast (Armidale Dumaresq, Ballina, Bellingen, Byron, Coffs Harbour, Glen Innes Severn, Kempsey, Kyogle, Lismore, Nambucca, Port Macquarie-Hastings, Richmond Valley, Tweed)





## LOANS

Loans are limited to the minimum amount required to cover normal farming and business activities, replace losses and make repairs not covered by insurance. The maximum loan is \$130,000. There is an interest and repayment-free period of two years followed by a maximum repayment term of 10 years. The interest rate for Natural Disaster Relief Assistance loans at 30 June 2009 was 2.85 per cent.

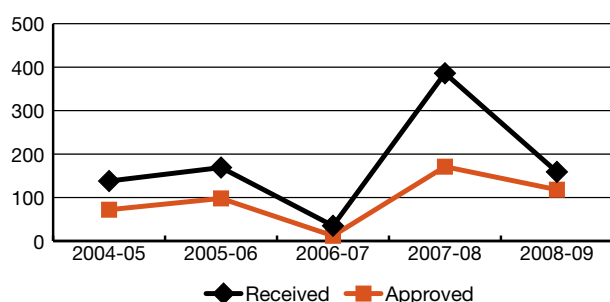
In 2008–09 the Authority received 159 Natural Disaster Relief Assistance applications and approved close to \$10.6 million in loans.

See the *Statistics on applications and approvals* chapter in this report for more details.

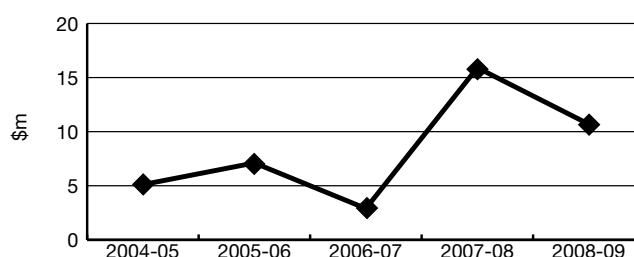
The following charts show Natural Disaster Relief Assistance loan applications received and approved and amounts approved over the past five years.

### Natural Disaster Loan Applications & Approvals

**Natural Disaster Relief - Loan Applications**



**Natural Disaster Relief Assistance - Loan Amounts Approved**



## RECOVERY GRANTS

Additional assistance measures have been available since June 2007 as part of the Community Recovery Package to provide immediate relief to eligible primary producers and small businesses for clean-up and restoration costs in the aftermath of extreme natural disasters.

These measures include recovery grants which are made available to assist with urgent clean-up costs such as hire of equipment to remove debris, essential repairs to fittings and other basic restoration tasks.

The Recovery Grants are funded by both the State and Australian governments and are in addition to the loans and subsidies offered in the standard package. Activation of recovery grant provisions of the Natural Disaster Relief Arrangements requires specific approval from the Australian and State governments.

During 2008–09 recovery grant provisions were activated following the devastating floods on the Mid-North Coast during March/April 2009 and the North Coast during May

2009 where grants of up to \$15,000 per small business/farm enterprise were made available.

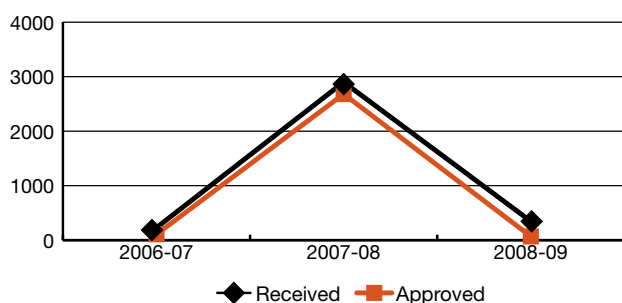
As at 30 June 2009 there have been 334 applications lodged for the Mid-North Coast and North Coast floods with approvals totalling \$748,930. A further 12 applications were processed as a result of the floods in the Northern and Central West regions of NSW during December 2007 and January 2008 with assistance of \$50,890 approved. Total number of applications was 346 and total amount in grant approvals over \$799,000 under the Natural Disaster Relief and Recovery Arrangements (Community Recovery Package).

This assistance measure will expire on 30 September 2009.

See the *Statistics on applications and approvals* chapter in this report for more details.

The following charts show Natural Disaster Relief Assistance grant applications received and approved and amounts approved over the past two years.

**Natural Disaster Relief - Grant Applications**



**Natural Disaster Relief Assistance - Grant Amounts Approved**



## OBJECTIVE 2

“ NSW farmers and farming-related small businesses increase their ability to resist and overcome financial challenges. ”

### RURAL ADJUSTMENT SCHEME – EXCEPTIONAL CIRCUMSTANCES INTEREST RATE SUBSIDY

Special assistance may be made available to farmers and small businesses under the Exceptional Circumstances provisions of the Rural Adjustment Scheme. Assistance is available to eligible farmers and farming-related small businesses (those with less than 100 employees and/or that operate in towns with population of less than 10,000 people that are substantially reliant on farmer income), to assist them in overcoming difficulties due to either industry downturns or their location in areas suffering the effects of specific exceptional circumstances.

Activation of Exceptional Circumstances assistance requires specific approval from the Australian Government. The current Exceptional Circumstances (drought) have been in place since November 2002.

The Scheme aims to assist farmers and small businesses with long-term prospects in specific industries or regions

suffering from the effects of exceptional circumstances to obtain carry-on finance, restructure debt and implement productivity improvements. Assistance is through an interest subsidy grant to a maximum of 80 per cent of the interest payable on, and associated costs of, either existing or new farm or business related loans. The subsidy can be up to \$100,000 per year over periods set by the Australian Government.

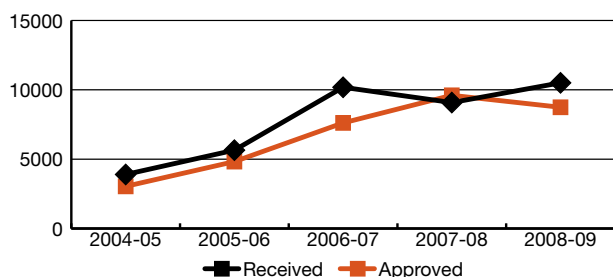
Due to improved conditions during 2008-09 in central and northern areas of the State, Exceptional Circumstances assistance was not extended beyond 31 March 2009. The Australian Government has approved extended recovery periods for southern and western Exceptional Circumstances declared areas, which has allowed eligible primary producers and small businesses in these areas to apply for continued Exceptional Circumstances support until 31 March 2010.

### PRIMARY PRODUCERS

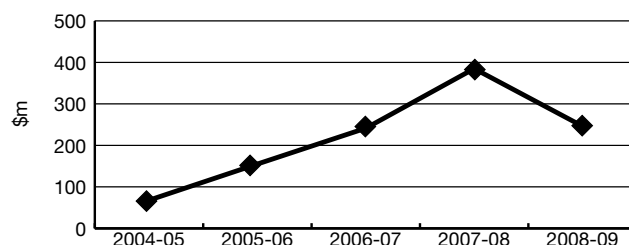
The 2008-09 financial year continued to see very high levels of demand for Exceptional Circumstances assistance from Primary Producers with more than 10,500 applications received and over \$246 million in assistance approved.

The following charts show Rural Adjustment Scheme – Primary Producer applications received and approved and amounts approved over the past five years.

**Exceptional Circumstances – Primary Producer Applications**



**Exceptional Circumstances – Primary Producer Amounts Approved**



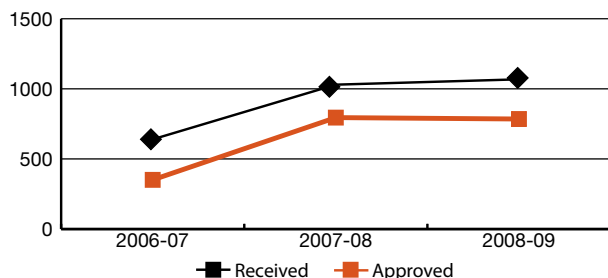
See the *Statistics on applications and approvals* chapter in this report for more details.

### SMALL BUSINESS

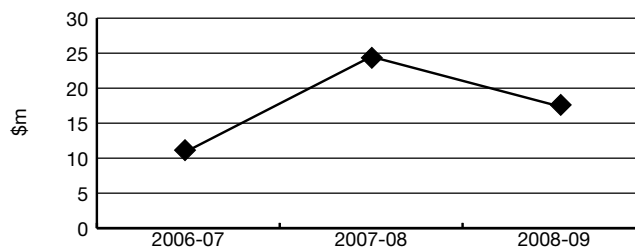
During 2008-09 the Authority received continued demand for financial assistance from small businesses affected by drought in Exceptional Circumstances declared areas. There were over 1,000 applications received and more than \$17 million in assistance approved.

The following charts show Rural Adjustment Scheme – Small Business applications received and approved and amounts approved over the past three years.

**Exceptional Circumstances – Small Business Applications**



**Exceptional Circumstances – Small Business Amounts Approved**



See the *Statistics on applications and approvals* chapter in this report for more details.



## OBJECTIVE 3

“ NSW farmers and agricultural industries utilise improved natural resource management techniques. ”

### SPECIAL CONSERVATION SCHEME

The Special Conservation Scheme is an incentive-based initiative to assist farmers within NSW to protect the States biological and physical resource base by completing certain conservation works on their property which they may not have otherwise undertaken.

The Authority also works closely with other government agencies to assist farmers with their natural resource management projects. These agencies include Catchment Management Authorities, NSW Department of Primary Industries and the NSW Department of Environment and Climate Change.

Changes were made to the Scheme during the previous financial year with the aim of broadening the objective, criteria and the works aspect for which financial assistance is available. This has seen demand for the Special Conservation Scheme maintained.

Examples of acceptable works under the Special Conservation Scheme include:

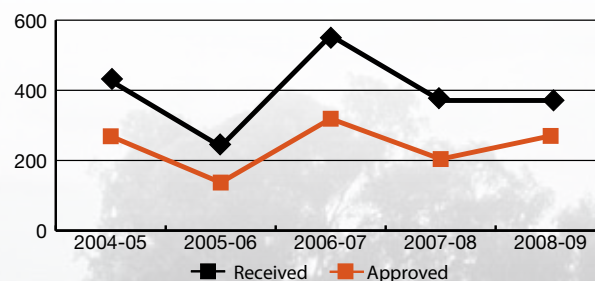
- soil conservation
- woody weed control
- control of noxious weeds (as defined in Schedule 3 of the *Noxious Weeds Act 1993*)
- stock and domestic water supply
- cap and piping of artesian bores
- upgrading/improving of existing irrigation systems
- exclusion netting to prevent flying fox damage to existing orchards with a demonstrated flying fox problem
- hail netting
- livestock effluent control
- refurbishment and de-silting of ground tanks
- planting of perennial species such as lucerne and old man saltbush
- hay, grain and silage storage for livestock fodder.

Assistance is in the form of a fixed-interest loan at a concessional rate. The interest rate for Special Conservation Scheme loans at 30 June 2009 was 5.00 per cent. Loans are limited to 90 per cent of the GST-exclusive cost of the proposed works to a total maximum of \$150,000. A maximum repayment term of 15 years is available with half yearly repayments in line with the client's cash flow.

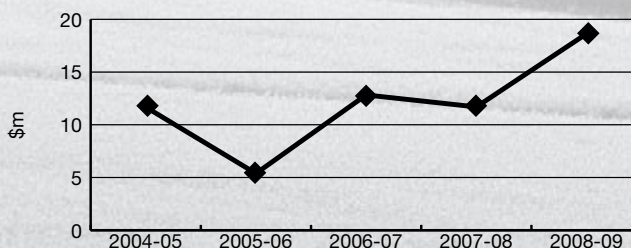
In 2008–09 the Authority received 371 Special Conservation Scheme applications and approved over \$18 million in assistance.

The following charts show Special Conservation Scheme applications and approvals and amounts approved over the past five years.

**Special Conservation Scheme Applications**



**Special Conservation Scheme Amounts Approved**



See the *Statistics on applications and approvals* chapter in this report for more details.



## FARM DEBT MEDIATION

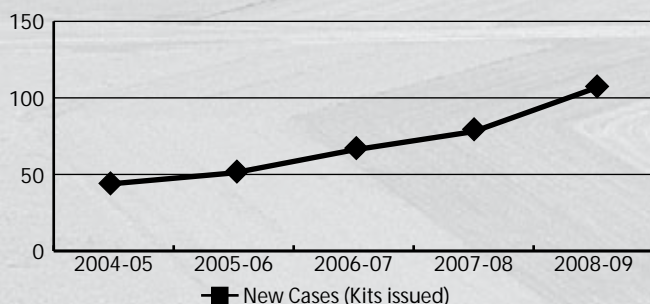
**OBJECTIVE:** Efficient and equitable resolution of farm debt disputes.

The *Farm Debt Mediation Act 1994* aims to provide for the efficient and equitable resolution of farm debt disputes. Mediation is required before a creditor can take possession of property, or other enforcement action, under a farm mortgage.

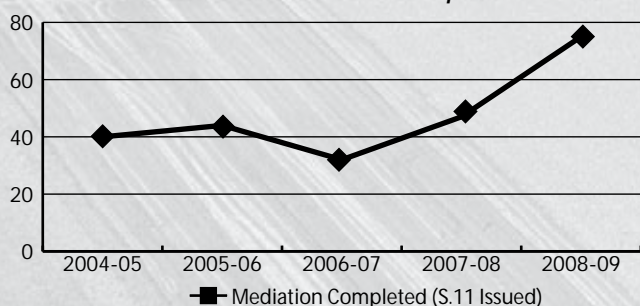
The 2008-09 year saw 106 new cases commenced up from 78 during the 2007-08 year. This level of activity is the highest since the 2000-01 year. 75 cases were completed with Section 11 certificates issued, up from 47 in the previous year.

Since commencement of the Act in February 1995, the Authority has issued a total of 2,135 mediation kits in relation to new cases commenced. Of the 1,825 cases completed and a Section 11 certificate issued, 1,106 went to mediation. The parties reached an agreement in 89 per cent of those cases.

*Farm Debt Mediation - New Cases*



*Farm Debt Mediation - Cases Completed*





## AGSTART

**OBJECTIVE:** Assisting young people develop or return to a career in agriculture or agribusiness

The scheme:

- facilitates greater awareness of, and provides access to, potential entry points and career opportunities in agriculture for young people
- provides assistance that facilitates career and business development in agriculture
- promotes the use of environmentally sustainable and efficient management practices.

Since the Scheme was launched in 2007 four funding rounds have been held to assist young people aged 18 to 35 entering or returning to agriculture in NSW. In these rounds of funding, assistance was available for (but not limited to):

- assistance with stamp duty on property purchase
- succession planning and generational change
- capital improvements/purchases
- short course training, development in farming, business and financial management skills
- professional mentoring or coaching, including professional advisory services such as legal, accountancy and agronomic advice.

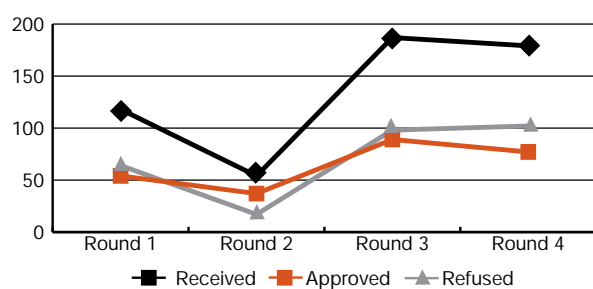
AgStart is not a 'one size fits all' scheme. It is based on a competitive process where each application is assessed individually and grants are awarded on a merit basis.

During 2008-09, the Authority assessed the 187 Round 3 applications received prior to 30 June 2008. The AgStart Board allocated approximately \$1,170,000 to 89 successful Round 3 applicants in August 2008.

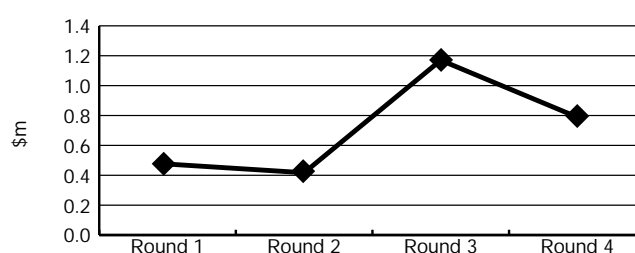
Round 4 of the Scheme opened on 1 December 2008 and closed 30 January 2009. A total of 179 applications were received. Of these, 77 applicants were approved for funding by the AgStart Board, with a total of \$789,000 allocated.

A summary of all four rounds of the AgStart Scheme can be seen in the graphs below.

*AgStart - Applications by Funding Round*



*AgStart - Amounts Approved by Funding Round*



The initial funding of \$5 million has been fully committed to successful applicants over four highly competitive rounds. The AgStart Ministerial Advisory Board has commissioned Graham Peart of RMS Accountants, Dubbo to undertake a review and evaluation of the Scheme.

The AgStart Board will provide the final report and recommendations on the future direction of AgStart to the Hon Ian Macdonald MLC, Minister for Primary Industries late in 2009.

# STATISTICS ON APPLICATIONS AND APPROVALS

## APPLICATIONS FOR ASSISTANCE – SUMMARY 2008-09

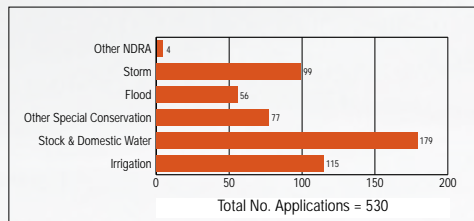
	Pending 01.07.08	Received (No.)	Withdrawn (No.)	Declined (No.)	Approved	\$ Value Approved	Pending 30.06.09
<b>SPECIAL CONSERVATION SCHEME LOANS</b>							
Soil Conservation	2	10	1	0	9	344,500	2
Irrigation	31	115	27	11	93	8,940,985	15
Stock & Dom. Water	33	179	65	9	125	7,058,314	13
Serrated Tussock	0	1	0	0	1	9,000	0
Effluent Control	2	3	1	0	4	246,500	0
Perennial Species	1	3	3	0	1	102,500	0
De-Silting	0	8	4	1	0	0	3
Feed Storage	7	49	12	6	32	1,269,400	6
Hail Netting	5	3	2	1	5	660,000	0
<b>Sub Total</b>	<b>81</b>	<b>371</b>	<b>115</b>	<b>28</b>	<b>270</b>	<b>18,631,199</b>	<b>39</b>
<b>NATURAL DISASTER RELIEF ASSISTANCE - LOANS</b>							
Flood	33	56	4	36	35	3,094,800	14
Storm	70	99	6	63	81	7,452,300	19
Small Business	3	4	0	2	2	150,000	3
Non-Profit Organisations	1	0	1	0	0	0	0
<b>Sub Total</b>	<b>107</b>	<b>159</b>	<b>11</b>	<b>101</b>	<b>118</b>	<b>10,697,100</b>	<b>36</b>
<b>NATURAL DISASTER RELIEF ASSISTANCE - GRANTS</b>							
Small Business	0	98	0	2	24	335,685	72
Primary Producer	3	248	4	7	44	464,135	196
<b>Sub Total</b>	<b>3</b>	<b>346</b>	<b>4</b>	<b>9</b>	<b>68</b>	<b>799,820</b>	<b>268</b>
<b>EXCEPTIONAL CIRCUMSTANCES INTEREST RATE SUBSIDY</b>							
Small Business	108	1,068	4	222	785	17,622,670	165
Primary Producer	447	10,504	15	765	8,741	246,155,639	1,430
<b>Sub Total</b>	<b>555</b>	<b>11,572</b>	<b>19</b>	<b>987</b>	<b>9,526</b>	<b>263,778,309</b>	<b>1,595</b>
<b>GRAND TOTAL</b>	<b>746</b>	<b>12,448</b>	<b>149</b>	<b>1,125</b>	<b>9,982</b>	<b>293,906,428</b>	<b>1,938</b>



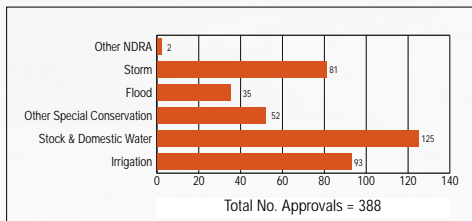
## SCHEMES

### State Schemes

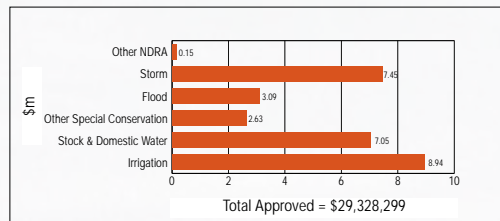
**Applications by Type 2008 - 2009**



**Approvals by Type 2008 - 2009**

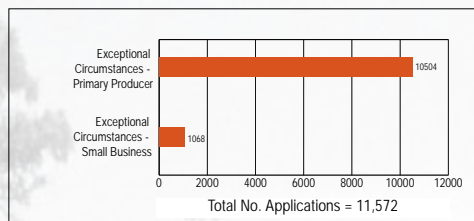


**Approval Amounts 2008 - 2009**

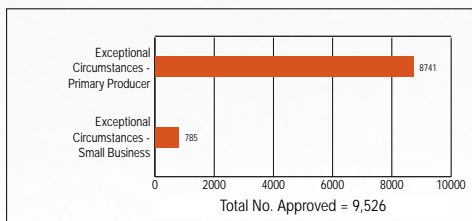


### Australian / State Government Schemes

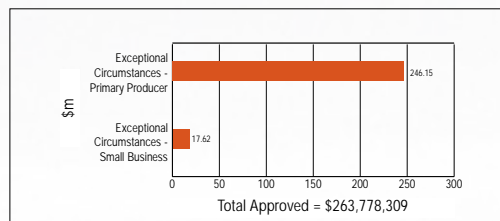
**Applications by Type 2008 - 2009**



**Approvals by Type 2008 - 2009**

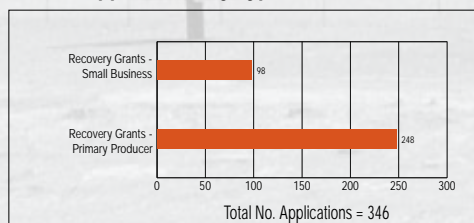


**Approval Amounts 2008 - 2009**

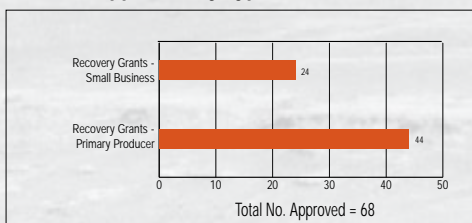


### Other Schemes

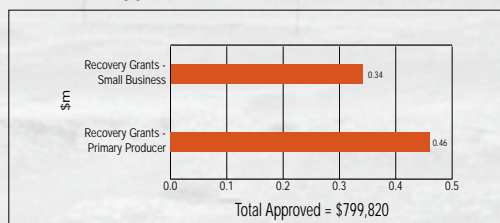
**Applications by Type 2008 - 2009**



**Approvals by Type 2008 - 2009**



**Approval Amounts 2008 - 2009**



## THE BOARD

The activities of the Authority are overseen by a board, which determines policy and ensures that the Authority operates with due care and efficiency.

The Authority's Board consists of six part-time members and the Chief Executive. Under the *Rural Assistance Act 1989* four of the part-time members must have specific qualifications and experience. The remaining two members are appointed to represent farmers.

### ***Part-time members with relevant qualifications and experience***

**Ms Fran Rowe**, B. Econ. Dip.Ed, is chairman of the Board and a primary producer of grain and sheep at Tottenham in Central West NSW. She is a Rural Financial Counsellor with the Rural Financial Counselling Service, NSW-Central West. Previous service to agriculture includes positions as co-chair of the NSW Rural Women's Network State Advisory Council, member of the NSW Agcost Analysis Unit, member of the Rural Adjustment Scheme Advisory Council, member of the Agricultural Finance Forum and member of the Agriculture and Food Policy Reference group.

Appointed July 1989  
Chairman since July 1994

**Dr. Rae Cooper**, BA (Hons), PhD, is a lecturer and researcher in the Faculty of Economics and Business at the University of Sydney. Dr Cooper is a member of the Australian Institute of Company Directors, the NSW Premier's Council for Women and the Women and Work Research Group; has previously been the Chair of the NSW Working Women's Centre and in 2008 was an appointee to the Australia: 2020 Summit for the Productivity Agenda Panel.

Appointed March 2005

**Ms Kate James**, BSc (Hons) (Rural Science), is a graduate of the University of New England, Armidale (2001) and the Australian Institute of Company Directors' AICD Course (2006). She has a strong affiliation with agriculture being involved in a farming partnership (beef cattle and cropping) in the Gunnedah/Boggabri region with her husband. From 2003 Kate was the Owner/Manager of a small business based in the Upper Hunter region producing high quality cheese products for Australian domestic markets until it was sold as a going concern in January 2009. Kate currently works as an independent agricultural consultant while serving on a number of advisory committees and boards in the local area and for the NSW Government.

Appointed July 2006

**Mr Wayne Joliffe** has extensive experience in the financial industry in the areas of loans assessment, loans administration and customer relations. He currently runs his own finance broking business in Sydney.

Appointed March 2008

### ***Part-time members appointed to represent farmers***

**Mr Robert Gledhill** is a lifelong farmer in the Boorowa and Barmedman areas and is a former Mayor of Boorowa Council. He Chairs the Lachlan Catchment Management Authority and is a member of the Noxious Weeds Advisory Council, NSW Landcare Advisory Committee and the NSW Pest Animal Council. Robert has also been awarded the Centenary Medal for Services to the Community.

Appointed July 2003

**Mr Mal Peters** is a sheep and cattle farmer from Ashford in northern NSW. He is a director of the Border Rivers Gwydir Catchment Management Authority and a councillor of Inverell Shire Council. Mal is also a member of the NSW Department of Primary Industries Ministerial Advisory Council and Scientific Advisory Council. He is a past president of NSW Farmers Association and during 2008-09 was a member of the Federal Government's Expert Panel on the Social Impacts of the Drought.

Appointed October 2001

## ***Chief Executive***

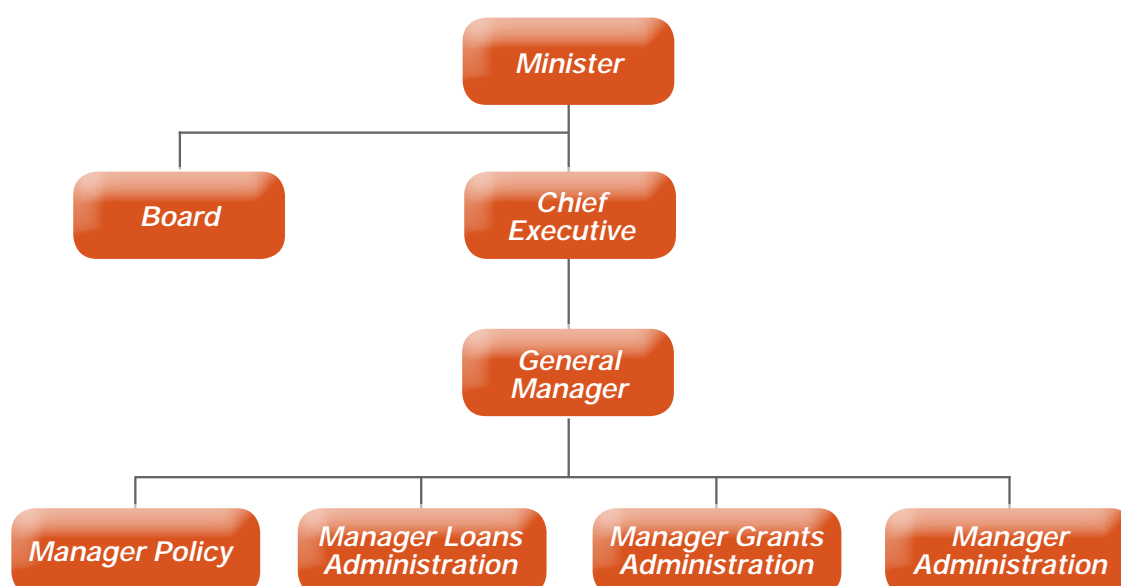
**Mr Alan Coutts**, B Com (Econ), Grad Dip Ed, is Deputy Director-General, Mineral Resources with the NSW Department of Primary Industries and Chairman of the Mine Subsidence Board. Mr Coutts has held appointments as Director-General of the NSW Department of Mineral Resources and Director-General of the NSW Department of Transport.

Appointed March 2006 to December 2008

**Mr George Davey**, BSc (Hons), MSc (Food Technology), Fellow, AIFST, is Deputy Director-General and Executive Director Fisheries, Compliance and Regional Relations with the NSW Department of Primary Industries and was previously Director-General of the NSW Food Authority. Prior to this he had a long career in the dairy industry and food safety and had gained a wealth of public sector experience. Mr Davey also leads the PRIMEX team in the promotion of trade in primary industries between NSW and Asian countries, including Korea, Japan and the Sub-continent.

Appointed December 2008

# ORGANISATION STRUCTURE



Absent:  
Wayne Joliffe

Standing:  
Robert Gledhill,  
Dr Rae Cooper,  
Mal Peters

Seated:  
Ms Kate James,  
George Davey,  
Ms Fran Rowe

## BOARD MEETINGS AND ATTENDANCE

During 2008-09 the Board held meetings as follows:

**10 July 2008**

NSW Department of Primary Industries, Sydney

**11 September 2008**

NSW Department of Primary Industries, Orange

**20 November 2008**

NSW Department of Primary Industries, Sydney

**11 March 2009**

NSW Department of Primary Industries, Sydney

**21 May 2009**

NSW Department of Primary Industries, Sydney

BOARD ATTENDANCE	MEETINGS ATTENDED	MEETINGS ELIGIBLE TO ATTEND
Ms Fran Rowe	5	5
Dr Rae Cooper	4	5
Mr Alan Coutts	2	3
Mr George Davey	2	2
Mr Robert Gledhill	4	5
Mr Wayne Joliffe	4	5
Mr Mal Peters	3	5
Ms Kate James	4	5



# SENIOR OFFICERS



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**Mr George Davey, BSc (Hons), MSc (Food Technology), Fellow, AIFST**  
Chief Executive

Mr Davey was appointed as Chief Executive in December 2008 for a period of 5 years. He is Deputy Director-General and Executive Director Fisheries, Compliance and Regional Relations with the NSW Department of Primary Industries and was previously Director-General of the NSW Food Authority. Prior to this he had a long career in the dairy industry and food safety area, with a wealth of public sector experience. Mr Davey also leads the PRIMEX team in the promotion of trade in primary industries between New South Wales and Asian countries, including Korea, Japan and the Sub-continent, and in 2005 was awarded the Australian Institute of Food Science and Technology (AIFST) Award of Merit.

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**Mr Stephen Griffith, B Ag Ec (Hon), MPP**  
General Manager

Mr Griffith was Chief Manager Lending before being appointed General Manager in January 1996. He manages the day-to-day operations of the Authority and provides knowledge and experience in negotiations and dealings with the private sector and other areas of government. Mr Griffith provides a link between the Authority's Board, senior members of the public service and central government agencies.

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**Mr Kevin Ekerick**  
Manager Farm Debt Mediation  
Acting Director Client Services

Mr Ekerick joined the Authority in September 1991 after 25 years in the banking industry. He manages the activities of the Farm Debt Mediation section and ensures delivery of effective dispute resolution, quality customer service and compliance with the *Farm Debt Mediation Act 1994*. Mr Ekerick is also responsible for overseeing the Authority's administration of the Ovine Johne's disease industry fund.

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**Mr Thomas Bunworth**  
Manager Loans Administration

Mr Bunworth joined the Authority in 1996 after an extensive career in the banking industry. He coordinates the Loans Assessment section which provides financial assistance to farmers and small businesses. Mr Bunworth is required to ensure that financial assistance is administered within the terms of the relevant governing legislation and is also responsible for the ongoing maintenance of the loan portfolio including arrears management.

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**Mr Bruce Glover**  
Manager Grants Administration

Mr Glover joined the Authority in 1990 after 20 years in the banking industry. He is responsible for the day-to-day administration of the Rural Adjustment Scheme - Exceptional Circumstances Interest Rate Subsidy (primary producer and small business). Mr Glover ensures that the Scheme is administered in accordance with the Australian Government's guidelines and to achieve the Authority's policies and objectives.

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**Ms Corinne Kennedy**  
Acting Manager Policy

Ms Kennedy joined the Authority in 1997 and has been relieving in this position since August 2007. Ms Kennedy is responsible for reviewing, developing, recommending and implementing appropriate assistance measures and promotion strategies to ensure programs of assistance are in accordance with government policy and industry objectives. Ms Kennedy also manages the Board secretariat and oversees the Farm Debt Mediation unit.

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# INTERNAL COMMITTEES

## **APPEALS COMMITTEE**

**Mr Stephen Griffith**, General Manager, plus two of the following personnel: senior/experienced officers from within the Authority, who were not directly involved in the original decision making process, that is the subject of the appeal.

**Function:** Determine appeals from farmers against decisions to refuse assistance under the various schemes administered by the Authority.

## **GRIEVANCE COMMITTEE**

**Ms Corinne Kennedy**, Acting Manager Policy  
(grievance manager)

**Mr Bruce Glover**, Manager Grants Administration  
(grievance receiver)

**Ms Terese Grant**, (grievance receiver)

**Mr Michael Pickett**, Manager Administration  
(grievance receiver)

**Function:** Receive and deal with internal grievances.

## **INTERNAL AUDIT AND FINANCE COMMITTEE**

**Mr Wayne Joliffe**, Board representative (chair)

**Mr Mal Peters**, Board representative

**Mr Michael Pickett**, Manager Administration

**Function:** Oversee the internal control procedures, risk management and corruption prevention for the Authority.

## **JOINT CONSULTATIVE COMMITTEE**

**Mr Wayne Townsend**, employee representative (chair)

**Mr Kevin Ekerick**, employer representative

**Ms Robyn McCahon**, employee representative

**Mr Michael Pickett**, employer representative

**Function:** Consult on industrial matters affecting the Authority.

## **OCCUPATIONAL HEALTH AND SAFETY COMMITTEE**

**Mr Garry Shearer**, employee representative (chair)

**Mr Bruce Glover**, employee representative

**Ms Terese Grant**, employee representative

**Mr Michael Pickett**, employer representative

**Function:** Monitor, review and make recommendations concerning occupational health and safety within the Authority.





# CORPORATE SERVICES AND HUMAN RESOURCES

## ***CORPORATE SERVICES***

The NSW Department of Primary Industries provides corporate services to the Authority under the Government's corporate services reform program. Services include personnel, payroll, industrial relations, finance and information communications technology.

The Authority utilises the SAP Client Loans Module in providing financial assistance to farmers and small businesses.

## ***STAFF EDUCATION AND TRAINING***

The Authority continued its staff training program in 2008-09 by encouraging staff to undertake tertiary education and allowing staff enrolled in external business-related courses to take study leave in accordance with policy.

Assessment of training requirements continued through consultation and needs analysis.

Staff are encouraged to relieve in higher positions with additional training and instruction provided as necessary. This provides the Authority with a core group of multi skilled staff members able to perform in a variety of positions.

In addition, on-the-job training was provided in all areas of the Authority, particularly to new staff. Assessment staff received intensive training prior to undertaking duties.

## ***STAFF INDUCTION***

Staff induction was provided using the Staff Induction Manual. Through induction, all new staff members were advised of their conditions of employment and the policies operating within the Authority. They also learn how and where to get advice and support when needed, particularly in the areas of grievance procedures, equal employment opportunity and occupational health and safety.

## ***INDUSTRIAL RELATIONS***

Consultation on industrial relations issues is through the Joint Consultative Committee.

There were no significant industrial relations issues during the year.



# FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY



## INDEPENDENT AUDITOR'S REPORT

GPO Box 12  
Sydney NSW 2001

### *New South Wales Rural Assistance Authority and Controlled Entity*

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the New South Wales Rural Assistance Authority (the Authority), which comprises the balance sheets as at 30 June 2009, the operating statements, statement of recognised income and expenses, service group statement, summary of compliance with financial directives and cash flow statements for the year then ended, a summary of significant accounting policies and other explanatory notes for both the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

#### **Auditor's Opinion**

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Authority and the consolidated entity as at 30 June 2009, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41 B of the Public Finance and Audit Act 1983 (the PF&A Act) and the Public Finance and Audit Regulation 2005

My opinion should be read in conjunction with the rest of this report.

#### **The Board's Responsibility for the Financial Report**

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does not provide assurance:

- about the future viability of the Authority or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically,
- about the effectiveness of their internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

#### **Independence**

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

A handwritten signature in black ink, appearing to read 'P Barnes'.

**Peter Barnes**

Director, Financial Audit Services

19 October 2009  
SYDNEY

# CERTIFICATE UNDER SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT, 1983

## NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY CERTIFICATE UNDER SECTION 41C OF THE PUBLIC FINANCE AND AUDIT ACT 1983

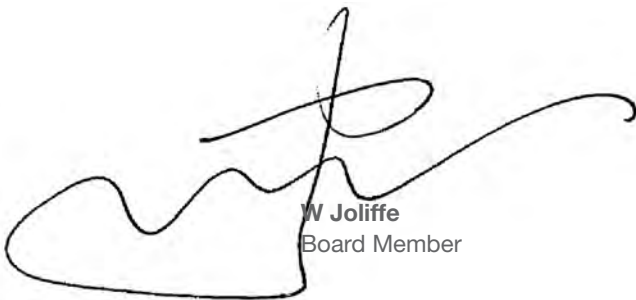
The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, regulations contained within the Public Finance and Audit Regulation 2005, and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

In our opinion the statements exhibit a true and fair view of the financial position and transactions of the Authority's operations for the year ended 30 June 2009.

The members of the Board are not aware of any circumstances, as at the date of this certificate, which would render any particulars in the financial report to be misleading or inaccurate.

Date:

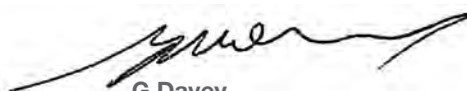
19/10/09



W Joliffe  
Board Member

Date:

19/10/09



G Davey  
Board Member

# FINANCIAL STATEMENTS

## OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Actual 2009 \$'000	Consolidated Actual 2008 \$'000	Parent Actual 2009 \$'000	Parent Budget 2009 \$'000	Parent Actual 2008 \$'000
<b>Expenses excluding losses</b>						
Operating expenses						
Employee related	2(a)	3,031	3,102	3,031	2,175	3,102
Other operating expenses	2(b)	3,625	4,371	3,625	6,287	4,371
Depreciation and amortisation	2(c)	36	29	36	24	29
Grants and subsidies	2(d)	270,519	430,263	270,519	285,305	430,263
Finance Costs	2(e)	5,410	4,516	5,410	4,800	4,516
<b>Total expenses excluding losses</b>		<b>282,621</b>	<b>442,281</b>	<b>282,621</b>	<b>298,591</b>	<b>442,281</b>
<b>Revenue</b>						
Investment revenue	3(a)	6,743	6,423	6,743	5,495	6,423
Grants and contributions	3(b)	5,254	18,831	5,254	2,000	18,831
Other revenue	3(c)	44	198	44	14	198
<b>Total Revenue</b>		<b>12,041</b>	<b>25,452</b>	<b>12,041</b>	<b>7,509</b>	<b>25,452</b>
<b>Net Cost of Services</b>		<b>270,580</b>	<b>416,829</b>	<b>270,580</b>	<b>291,082</b>	<b>416,829</b>
<b>Government contributions</b>						
Recurrent appropriation	4	273,216	421,487	273,216	291,459	421,487
Capital appropriation	4	28	43	28	50	43
Acceptance by the Crown Entity of employee benefits and other liabilities	5	243	147	243	134	147
<b>Total Government Contributions</b>		<b>273,487</b>	<b>421,677</b>	<b>273,487</b>	<b>291,643</b>	<b>421,677</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2,907</b>	<b>4,848</b>	<b>2,907</b>	<b>561</b>	<b>4,848</b>

The accompanying notes form part of these financial statements

## STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Actual 2009 \$'000	Consolidated Actual 2008 \$'000	Parent Actual 2009 \$'000	Parent Budget 2009 \$'000	Parent Actual 2008 \$'000
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Surplus / (Deficit) for the year		2,907	4,848	2,907	561	4,848
<b>TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR</b>	16	<b>2,907</b>	<b>4,848</b>	<b>2,907</b>	<b>561</b>	<b>4,848</b>

The accompanying notes form part of these financial statements



## BALANCE SHEET AS AT 30 JUNE 2009

	Notes	Consolidated Actual 2009 \$'000	Consolidated Actual 2008 \$'000	Parent Actual 2009 \$'000	Parent Budget 2009 \$'000	Parent Actual 2008 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	7	29,073	25,248	29,073	30,544	25,248
Receivables	8	4,436	4,280	4,436	0	4,280
Other financial assets	9	12,975	13,157	12,975	3,699	13,157
<b>Total Current Assets</b>		<b>46,484</b>	<b>42,685</b>	<b>46,484</b>	<b>34,243</b>	<b>42,685</b>
<b>Non-Current Assets</b>						
Other financial assets	9	81,504	67,532	81,504	77,747	67,532
Property, plant and equipment -Plant and equipment	10	134	142	134	168	142
<b>Total Non-Current Assets</b>		<b>81,638</b>	<b>67,674</b>	<b>81,638</b>	<b>77,915</b>	<b>67,674</b>
<b>Total Assets</b>		<b>128,122</b>	<b>110,359</b>	<b>128,122</b>	<b>112,158</b>	<b>110,359</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	12	5,726	6,404	5,726	10,121	6,404
Borrowings	13	12,975	13,157	12,975	14,684	13,157
Provisions	14	346	319	346	200	319
Other	15	4,102	2,360	4,102	0	2,360
<b>Total Current Liabilities</b>		<b>23,149</b>	<b>22,240</b>	<b>23,149</b>	<b>25,005</b>	<b>22,240</b>
<b>Non-Current Liabilities</b>						
Borrowings	13	82,039	68,093	82,039	66,566	68,093
Provisions	14	5	4	5	4	4
<b>Total Non-Current Liabilities</b>		<b>82,044</b>	<b>68,097</b>	<b>82,044</b>	<b>66,570</b>	<b>68,097</b>
<b>Total Liabilities</b>		<b>105,193</b>	<b>90,337</b>	<b>105,193</b>	<b>91,575</b>	<b>90,337</b>
<b>Net Assets</b>		<b>22,929</b>	<b>20,022</b>	<b>22,929</b>	<b>20,583</b>	<b>20,022</b>
<b>EQUITY</b>						
Accumulated funds	16	22,929	20,022	22,929	20,583	20,022
<b>Total Equity</b>		<b>22,929</b>	<b>20,022</b>	<b>22,929</b>	<b>20,583</b>	<b>20,022</b>

The accompanying notes form part of these financial statements

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Consolidated Actual 2009 \$'000	Consolidated Actual 2008 \$'000	Parent Actual 2009 \$'000	Parent Budget 2009 \$'000	Parent Actual 2008 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(2,760)	(2,951)	(2,760)	(2,160)	(2,951)
Grants and subsidies		(270,519)	(430,263)	(270,519)	(285,305)	(430,263)
Finance costs		(3,603)	(3,392)	(3,603)	(3,800)	(3,392)
Other		(31,144)	(46,806)	(31,144)	(7,187)	(46,806)
<b>Total Payments</b>		<b>(308,026)</b>	<b>(483,412)</b>	<b>(308,026)</b>	<b>(298,452)</b>	<b>(483,412)</b>
<b>Receipts</b>						
Interest received		1,954	1,503	1,954	1,075	1,503
Other		34,965	68,375	34,965	7,414	68,375
<b>Total Receipts</b>		<b>36,919</b>	<b>69,878</b>	<b>36,919</b>	<b>8,489</b>	<b>69,878</b>
<b>Cash Flows from Government</b>						
Recurrent appropriation		277,318	423,847	277,318	291,459	423,847
Capital appropriation		28	43	28	50	43
Cash reimbursements from the Crown Entity		0	0	0	0	0
Cash transfers to the Consolidated Fund		(2,360)	(820)	(2,360)	0	(820)
<b>Net Cash Flows from Government</b>		<b>274,986</b>	<b>423,070</b>	<b>274,986</b>	<b>291,509</b>	<b>423,070</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	20	<b>3,879</b>	<b>9,536</b>	<b>3,879</b>	<b>1,546</b>	<b>9,536</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Advance repayments received		15,186	14,628	15,186	23,800	14,628
Purchases of plant and equipment		(28)	(43)	(28)	(50)	(43)
Advances made		(27,169)	(15,797)	(27,169)	(19,000)	(15,797)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(12,011)</b>	<b>(1,212)</b>	<b>(12,011)</b>	<b>4,750</b>	<b>(1,212)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings and advances		27,169	15,797	27,169	19,000	15,797
Repayment of borrowings and advances		(15,212)	(14,811)	(15,212)	(20,000)	(14,811)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>11,957</b>	<b>986</b>	<b>11,957</b>	<b>(1,000)</b>	<b>986</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>3,825</b>	<b>9,310</b>	<b>3,825</b>	<b>5,296</b>	<b>9,310</b>
Opening cash and cash equivalents		25,248	15,938	25,248	25,248	15,938
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	7	<b>29,073</b>	<b>25,248</b>	<b>29,073</b>	<b>30,544</b>	<b>25,248</b>

The accompanying notes form part of these financial statements

## SERVICE GROUP STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

AGENCY'S EXPENSES & REVENUE	Financial Assistance to Farmers and Small Business**		Not Attributable		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Expenses excluding losses</b>						
Operating expenses						
• Employee related	3,031	3,102			3,031	3,102
• Other operating expenses	3,625	4,371			3,625	4,371
Depreciation and amortisation	36	29			36	29
Grants and subsidies	270,519	430,263			270,519	430,263
Finance costs	5,410	4,516			5,410	4,516
<b>Total expenses excluding losses</b>	<b>282,621</b>	<b>442,281</b>			<b>282,621</b>	<b>442,281</b>
<b>Revenue</b>						
Investment revenue	6,743	6,423			6,743	6,423
Grants and Contributions	5,254	18,831			5,254	18,831
Other revenue	44	198			44	198
<b>Total revenue</b>	<b>12,041</b>	<b>25,452</b>			<b>12,041</b>	<b>25,452</b>
<b>Net Cost of Services</b>	<b>270,580</b>	<b>416,829</b>			<b>270,580</b>	<b>416,829</b>
Government contributions	273,487	421,677			273,487	421,677
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>(2,907)</b>	<b>(4,848)</b>			<b>(2,907)</b>	<b>(4,848)</b>
<b>AGENCY'S ASSETS &amp; LIABILITIES</b>						
<b>Current Assets</b>						
Cash and cash equivalents	29,073	25,248			29,073	25,248
Receivables	4,436	4,280			4,436	4,280
Other financial assets	12,975	13,157			12,975	13,157
<b>Total current assets</b>	<b>46,484</b>	<b>42,685</b>			<b>46,484</b>	<b>42,685</b>
<b>Non-current Assets</b>						
Other financial assets	81,504	67,532			81,504	67,532
Property, plant and equipment	134	142			134	142
<b>Total non-current assets</b>	<b>81,638</b>	<b>67,674</b>			<b>81,638</b>	<b>67,674</b>
<b>TOTAL ASSETS</b>	<b>128,122</b>	<b>110,359</b>			<b>128,122</b>	<b>110,359</b>
<b>Current Liabilities</b>						
Payables	5,726	6,404			5,726	6,404
Borrowings	12,975	13,157			12,975	13,157
Provisions	346	319			346	319
Other	4,102	2,360			4,102	2,360
<b>Total Current Liabilities</b>	<b>23,149</b>	<b>22,240</b>			<b>23,149</b>	<b>22,240</b>
<b>Non-current Liabilities</b>						
Borrowings	82,039	68,093			82,039	68,093
Provisions	5	4			5	4
<b>Total Non-current Liabilities</b>	<b>82,044</b>	<b>68,097</b>			<b>82,044</b>	<b>68,097</b>
<b>TOTAL LIABILITIES</b>	<b>105,193</b>	<b>90,337</b>			<b>105,193</b>	<b>90,337</b>
<b>NET ASSETS</b>	<b>22,929</b>	<b>20,022</b>			<b>22,929</b>	<b>20,022</b>

\* NSW Budget Paper No. 3 has replaced program statements with service group statements. Service group statements focus on the key measures of service delivery performance.

\*\* The name and purpose of the service group is summarised in Note 6.



## PARENT – SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES

	2009				2008			
	RECURRENT APPROPRIATION \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APPROPRIATION \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	RECURRENT APPROPRIATION \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APPROPRIATION \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000
<b>ORIGINAL BUDGET APPROPRIATION / EXPENDITURE</b>								
Appropriation Act	173,509	173,509	50	28	196,205	196,205	50	43
s 26 PF&AA – Commonwealth specific purpose payments	117,950	90,034	0	0	205,272	203,108	0	0
	<b>291,459</b>	<b>263,543</b>	<b>50</b>	<b>28</b>	<b>401,477</b>	<b>399,313</b>	<b>50</b>	<b>43</b>
<b>OTHER APPROPRIATIONS / EXPENDITURE</b>								
Section 22 - expenditure for certain works and services	12,740	9,673	0	0	22,370	22,174	0	0
Additional appropriation-Payroll tax rate adjustment	(1)	(1)	0	0	0	0	0	0
Additional appropriation-Revised TMF benchmark	1	1	0	0	0	0	0	0
<b>Total Appropriation / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)</b>	<b>304,199</b>	<b>273,216</b>	<b>50</b>	<b>28</b>	<b>423,847</b>	<b>421,487</b>	<b>50</b>	<b>43</b>
<b>Amount drawn down against Appropriation</b>		<b>277,318</b>		<b>28</b>		<b>423,847</b>		<b>43</b>
<b>Liability to Consolidated Fund</b>		<b>(4,102)</b>		<b>0</b>		<b>(2,360)</b>		<b>0</b>

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).

The Liability to Consolidated Fund represents the difference between the “Amount Drawn against Appropriation” and the “Total Expenditure / Net Claim on Consolidated Fund”.

For an explanation of variances to Budget, you are referred to Note 19

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Reporting Entity

The NSW Rural Assistance Authority (the Authority) is incorporated as a reporting statutory body, representing the State, under the *Rural Assistance Act 1989*.

In 2006 staff were designated as being employed by the Government of NSW in service of the Crown to provide personnel services to enable the statutory corporation to exercise its functions. The Office of the Rural Assistance Authority was established as a Division of the Government Service, pursuant to Part 1 of Schedule 1 to the *Public Sector Employment and Management Act 2002* (PSEMA) with the specific objective to provide personnel services to the NSW Rural Assistance Authority. A separate financial report has been prepared for the Office of the Rural Assistance Authority as it meets the definition of a reporting entity under the Statement of Accounting Concepts SAC 1 *Definition of the Reporting Entity*. In accordance with AASB 127 *Consolidated and Separate Financial Statements and Interpretation 112 Consolidation-Special Purpose Entities* (SPE) the Office of the Rural Assistance Authority has been consolidated with its related statutory body, the NSW Rural Assistance Authority.

In the process of preparing the consolidated financial report for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

Where reference in these notes is made to 'Agency' it refers to the total activities of the NSW Rural Assistance Authority and the Office of the Rural Assistance Authority. A reference to the 'Parent' relates to the activities of the NSW Rural Assistance Authority.

The NSW Rural Assistance Authority is a NSW government authority. The Authority is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total Sector Accounts.

This consolidated financial report for the year ended 30 June 2009 has been authorised for issue by the Board on 19 October 2009.

### (b) Basis of Preparation

The Authority's financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (c) Statement of Compliance

The consolidated and parent entity financial statements and notes

comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (d) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to general government sector agencies.

### (e) Grants and subsidies

Grants and subsidies are generally recognised as expense when the Authority relinquishes control over the assets comprising the grant / subsidies. For grants and subsidies funded from the Authority's Recurrent Appropriation control is normally lost on the transfer of the cash.

### (f) Insurance

The Agency's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

### (g) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

### (h) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

### (i) Parliamentary appropriations and contributions

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when the Authority obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash. Appropriations and contributions are not recognised as revenue in the following circumstances:

- Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund. The liability is disclosed in Note 15 as part of 'Current Liabilities – Other'. The amount will be repaid and the liability will be extinguished next financial year.
- Contributions from other bodies received in advance of the commencement of a grant program are recognised as Unearned revenue. The liability is disclosed in Note 12 as part of 'Current / Non-current Liabilities – Payables'.

### **(ii) Investment revenue**

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

## **(i) Assets**

### **(i) Acquisition of assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

### **(ii) Capitalisation thresholds**

Plant and equipment costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

### **(iii) Revaluation of plant and equipment**

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

### **(iv) Impairment of plant and equipment**

As a not-for-profit entity with no cash generating units, the Authority is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

### **(v) Depreciation of plant and equipment**

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount

of each asset as it is consumed over its useful life to the Authority.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Default asset class lives are:

Computing Equipment	4 years
Photocopier	4 years
Business Equipment	7 years
Office Furniture	8 years
Storage	15 years

Depreciation rates are reviewed and determined on an annual basis.

### **(vi) Maintenance**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

### **(vii) Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

The Authority has a loan facility with the Crown which makes available to the Authority funds from which the Authority may recoup for advances it has made under various schemes of assistance. The Authority must repay to the Crown on a monthly basis both the principal and interest on the advances in line with the principal and interest that the Authority collects from re-lending the funds for approved purposes. Accordingly, the value of this facility is determined by the value of the re-loaned funds.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Bad debts are written off as incurred.

### **(viii) Impairment of financial assets**

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the operating statement.

Any reversals of impairment losses are reversed through the operating statement, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.



## **(ix) De-recognition of financial assets and financial liabilities**

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Authority has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Authority's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

## **(j) Liabilities**

### **(i) Payables**

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

### **(ii) Borrowings**

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the operating statement on derecognition.

### **(iii) Employee benefits and other provisions**

#### **(a) Salaries and wages, annual leave, sick leave and on-costs**

Liabilities for salaries and wages (including non-monetary benefits) and annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

#### **(b) Long service leave and superannuation**

The Agency's liabilities for long service leave and defined benefit superannuation are assumed by the

Crown Entity. The agency accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Circulars. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

### **(c) Other Provisions**

Other provisions exist when: the agency has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

### **(k) Budgeted amounts**

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s 21A, s 24 and / or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the operating statement and the cash flow statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the balance sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts; i.e. per the audited financial report (rather than carried forward estimates).

### **(l) Comparative Information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

Where necessary, the Authority has reclassified and repositioned comparatives to be consistent with current year disclosures except when an Australian Accounting Standard permits or requires otherwise.

## BALANCE SHEET

	Reported 2008 Balance	Adjustment Incr/(decr)	Adjusted 2008 Balance
<b>Current Assets</b>			
Receivables	3,523	757	4,280
Other financial assets	3,699	9,458	13,157
<b>Non-Current assets</b>			
Other financial assets	77,747	(10,215)	67,532
<b>Total</b>	<b>84,969</b>	<b>0</b>	<b>84,969</b>
A portion of non –current other financial assets has been reclassified as current receivables and current other financial assets.			
<b>Current Liabilities</b>			
Borrowings	14,684	(1,527)	13,157
<b>Non-current Liabilities</b>			
Borrowings	66,566	1,527	68,093
<b>Total</b>	<b>81,250</b>	<b>0</b>	<b>81,250</b>

A portion of the present valuation adjustment in relation to borrowings has been reclassified as relevant to current borrowings

## CASH FLOW STATEMENT

	Reported 2008 Balance	Adjustment Incr/(decr)	Adjusted 2008 Balance
<b>Cash Flows from Operating Activities</b>			
<b>Payments</b>			
Finance costs	(4,516)	1,124	(3,392)
Other	(46,807)	1	(46,806)
<b>Total Payments</b>	<b>(51,323)</b>	<b>1,125</b>	<b>(50,198)</b>
<b>Receipts</b>			
Other	69,371	(996)	68,375
<b>Total Receipts</b>	<b>69,371</b>	<b>(996)</b>	<b>68,375</b>
<b>Net Cash Flows from Operating Activities</b>	<b>18,048</b>	<b>129</b>	<b>18,177</b>
<b>Cash Flows from Investing Activities</b>			
Advance repayments received	13,597	1,031	14,628
Other	35	(35)	0
<b>Total</b>	<b>13,632</b>	<b>996</b>	<b>14,628</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of borrowings and advances	(13,597)	(1,214)	(14,811)
Other	(89)	89	0
<b>Total</b>	<b>(13,686)</b>	<b>(1,125)</b>	<b>(14,811)</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Amortised interest expense (\$1,124) and Amortised interest revenue (\$1,124) have been reclassified as non-cash in Operating Activities to a cash flow within Investing and Financing Activities.

Other movements in Operating Activities relate to the reclassifications between Other Financial assets and Receivables within the Balance Sheet. These movements have corresponding adjustments in the Investing and Financing Activities.

The cash movements originally reported as other in Investing (\$35) and Financing Activities (\$89) have been reclassified as relevant to Advance repayments received and Repayment of borrowings and advances respectively.

### ***(m) New Australian Accounting Standards issued but not effective***

At reporting date all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (The AASB) that are relevant to the Authority's operations and effective for the current annual reporting period have been adopted.

### **Early adoption of new or revised Accounting Standards/Interpretation.**

The following Australian Accounting Standards/Interpretations have been mandated by NSW Treasury not to be adopted early in this financial report:

- AASB 3 (March 2008), AASB 127 and AASB 2008-3 regarding business combinations;
- AASB 8 and AASB 2007-3 regarding operating segments;
- AASB 101 (Sept 2007), AASB 2007-8 and AASB 2007-10 regarding presentation of financial statements;
- AASB 123 (June 2007) and AASB 2007-6 regarding borrowing costs;
- AASB1039 regarding concise financial reports;
- AASB 2008-1 regarding share based payments;
- AASB 2008-2 regarding puttable financial instruments;
- AASB 2008-5 and AASB 2008-6 regarding amendments to Australian Accounting Standards arising from the Annual Improvements Project;
- AASB 2008-7 regarding costs of an investment in a subsidiary, jointly controlled entity, or an associate;
- AASB 2008-8 regarding eligible hedged items;
- AASB 2008-9 regarding AASB 1049 amendments consistent with AASB 101;
- AASB 2008-11 regarding business combinations with not-for-profit entities;
- AASB 2009-1 regarding borrowing costs of not for profit public sector entities;
- AASB 2009-2 regarding financial instruments disclosures;
- Interpretation 15 on construction of real estate;
- Interpretation 16 on hedges of a net investment in a foreign operation;
- Interpretation 17 and AASB 2008-13 on distribution of noncash assets to owners;
- Interpretation 18 on transfers of assets from customers.



## 2. EXPENSES EXCLUDING LOSSES

<b>(a) Employee Related Expenses</b>				
Salaries and wages (including recreation leave)	2,409	2,573	0	0
Superannuation – defined benefit plans	72	49	0	0
Superannuation – defined contribution plans	156	174	5	5
Long service leave	189	97	0	0
Workers compensation insurance	14	11	0	0
Payroll tax and fringe benefits tax	126	139	3	4
Personnel services	0	0	2,969	3,035
Other - Miscellaneous	65	59	54	58
	<b>3,031</b>	<b>3,102</b>	<b>3,031</b>	<b>3,102</b>
<b>(b) Other operating expenses include the following:</b>				
Auditor's remuneration – audit or review of financial reports	90	117	90	117
Rent expense	394	391	394	391
Maintenance*	31	33	31	33
Insurance	6	9	6	9
Telecommunications	25	35	25	35
Travel	90	57	90	57
Contract expense	2,144	2,849	2,144	2,849
Administration Fees	582	582	582	582
Miscellaneous	263	298	263	298
	<b>3,625</b>	<b>4,371</b>	<b>3,625</b>	<b>4,371</b>
<b>Maintenance Reconciliation</b>				
*Maintenance expense as above	31	33	31	33
Maintenance related employee expenses included in Note 2(a)	0	0	0	0
<b>Total maintenance expenses included in Note 2(a) + (b)</b>	<b>31</b>	<b>33</b>	<b>31</b>	<b>33</b>
No employee related costs have been capitalised.				
<b>(c) Depreciation and amortisation expense</b>				
Plant and equipment	36	29	36	29
	<b>36</b>	<b>29</b>	<b>36</b>	<b>29</b>
<b>(d) Grants and subsidies</b>				
Rural Adjustment Scheme (State)	26,373	40,954	26,373	40,954
Rural Adjustment Scheme (Commonwealth)	237,360	368,585	237,360	368,585
West 2000 Plus	218	241	218	241
Forging Partnerships	548	635	548	635
Agstart	1,558	652	1,558	652
Extraordinary Assistance Program	0	392	0	392
Natural Disaster Relief Grants	810	15,574	810	15,574
Grant expense on low interest loans	3,652	3,230	3,652	3,230
	<b>270,519</b>	<b>430,263</b>	<b>270,519</b>	<b>430,263</b>
<b>(e) Finance Costs</b>				
Interest on Treasury Advance	3,603	3,392	3,603	3,392
Amortised interest expense	1,807	1,124	1,807	1,124
	<b>5,410</b>	<b>4,516</b>	<b>5,410</b>	<b>4,516</b>

### 3. REVENUES

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>(a) Investment revenue</b>				
Interest	1,333	1,907	1,333	1,907
Interest income on loans	3,603	3,392	3,603	3,392
Amortised interest revenue	1,807	1,124	1,807	1,124
	<b>6,743</b>	<b>6,423</b>	<b>6,743</b>	<b>6,423</b>
<b>(b) Grants and Contributions</b>				
Grant revenue on low interest loan	3,652	3,230	3,652	3,230
Reimbursement for Natural Disaster Relief Grants	810	15,574	810	15,574
Grants – Budget Sector Agencies	574	27	574	27
Grants – Commonwealth	218	0	218	0
	<b>5,254</b>	<b>18,831</b>	<b>5,254</b>	<b>18,831</b>
<b>(c) Other revenue</b>				
Forgiveness of liabilities	1	100	1	100
Reduction in Doubtful Debts	24	84	24	84
Other revenue	19	14	19	14
	<b>44</b>	<b>198</b>	<b>44</b>	<b>198</b>

### 4. APPROPRIATIONS

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>Recurrent appropriations</b>				
Total recurrent draw-downs from Treasury (per Summary of Compliance)	277,318	423,847	277,318	423,847
Less: Liability to Consolidated Fund (per Summary of Compliance)	(4,102)	(2,360)	(4,102)	(2,360)
	<b>273,216</b>	<b>421,487</b>	<b>273,216</b>	<b>421,487</b>
Comprising:				
Recurrent appropriations (per Operating Statement)	273,216	421,487	273,216	421,487
	<b>273,216</b>	<b>421,487</b>	<b>273,216</b>	<b>421,487</b>
<b>Capital appropriations</b>				
Total capital draw-downs from Treasury (per Summary of Compliance)	28	43	28	43
Less: Liability to Consolidated Fund (per Summary of Compliance)	0	0	0	0
	<b>28</b>	<b>43</b>	<b>28</b>	<b>43</b>
Comprising:				
Capital appropriations (per Operating Statement)	28	43	28	43
	<b>28</b>	<b>43</b>	<b>28</b>	<b>43</b>

## 5. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity or other Government agencies

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
Superannuation – defined benefit	72	49	72	49
Long Service Leave	167	95	167	95
Payroll tax	4	3	4	3
	<b>243</b>	<b>147</b>	<b>243</b>	<b>147</b>

## 6. SERVICE GROUPS OF THE AUTHORITY

### Financial Assistance to Farmers and Small Business

**Service Description:** This service group covers financial assistance by way of loans to farmers and small businesses to allow them to continue their operations following a natural disaster. It also involves loans to farmers aimed at promoting improved land management practices and various other grant schemes, with Exceptional Circumstances being the main grant program providing interest rate subsidies to farmers and small businesses.

## 7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
Cash at bank and on hand				
Operating Account	25,181	21,754	25,181	21,754
Remitting Account	3,892	3,494	3,892	3,494
	<b>29,073</b>	<b>25,248</b>	<b>29,073</b>	<b>25,248</b>
For the purpose of the Cash Flow Statement, cash and cash equivalents include cash at bank, cash on hand, short term deposits and bank overdraft.				
Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:				
Cash and cash equivalents (per Balance Sheet)	29,073	25,248	29,073	25,248
<b>Closing cash and cash equivalents (per Cash Flow Statement)</b>	<b>29,073</b>	<b>25,248</b>	<b>29,073</b>	<b>25,248</b>

Refer Note 21 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.



**8. CURRENT / NON-CURRENT ASSETS-RECEIVABLES**

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>CURRENT</b>				
Interest Receivable	346	967	346	967
Interest Receivable – Interest on Loans	1,196	1,336	1,196	1,336
Prepayments	0	5	0	5
GST	2,211	1,895	2,211	1,895
Miscellaneous	683	77	683	77
	<b>4,436</b>	<b>4,280</b>	<b>4,436</b>	<b>4,280</b>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 21.

**9. CURRENT / NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS**

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>CURRENT</b>				
Advances Receivable - Loans to Clients	12,975	13,157	12,975	13,157
Less: Allowance for impairment	0	0	0	0
	<b>12,975</b>	<b>13,157</b>	<b>12,975</b>	<b>13,157</b>
<b>NON-CURRENT</b>				
Advances Receivable - Loans to Clients	82,039	68,093	82,039	68,093
Less: Allowance for impairment	(535)	(561)	(535)	(561)
	<b>81,504</b>	<b>67,532</b>	<b>81,504</b>	<b>67,532</b>
<i>Movement in the allowance for impairment</i>				
<b>Advances Receivable – Loans to Clients</b>				
Balance at 1 July	561	744	561	744
Amounts written off during the year	(2)	(100)	(2)	(100)
Amounts recovered during the year	(155)	(83)	(155)	(83)
Increase / (decrease) in allowance recognised in profit or loss	131	0	131	0
<b>Balance at 30 June</b>	<b>535</b>	<b>561</b>	<b>535</b>	<b>561</b>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 21.

**10. NON CURRENT ASSETS – PLANT AND EQUIPMENT**

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>At 1 July 2008 – fair value</b>				
Gross carrying amount	257	257	257	257
Accumulated depreciation	(115)	(115)	(115)	(115)
<b>Net Carrying Amount</b>	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>
<b>At 30 June 2009 – fair value</b>				
Gross carrying amount	285	285	285	285
Accumulated depreciation	(151)	(151)	(151)	(151)
<b>Net Carrying Amount</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>

## Reconciliation

A reconciliation of the carrying amount of plant and equipment at the beginning and end of the current reporting period is set out below.

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>Year ended 30 June 2009</b>				
Net carrying amount at start of year	142	142	142	142
Additions	28	28	28	28
Disposals	0	0	0	0
Depreciation expenses	(36)	(36)	(36)	(36)
<b>Net carrying amount at end of year</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>
<b>At 1 July 2007 – fair value</b>				
Gross carrying amount	214	214	214	214
Accumulated depreciation	(86)	(86)	(86)	(86)
Net Carrying Amount	128	128	128	128
<b>At 30 June 2008 – fair value</b>				
Gross carrying amount	257	257	257	257
Accumulated depreciation	(115)	(115)	(115)	(115)
<b>Net Carrying Amount</b>	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>

## Reconciliation

A reconciliation of the carrying amount of plant and equipment at the beginning and end of the current reporting period is set out below.

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>Year ended 30 June 2008</b>				
Net carrying amount at start of year	128	128	128	128
Additions	43	43	43	43
Disposals	0	0	0	0
Depreciation expenses	(29)	(29)	(29)	(29)
<b>Net carrying amount at end of year</b>	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>

## 11. RESTRICTED ASSETS

The Authority holds within Cash at bank and on hand the following amounts that have specific legislative or contractual conditions associated with the use of the funds.

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>CURRENT</b>				
Principal & Interest Collections received from client borrowers and repayable to NSW Treasury (refer Note 7, 12)	3,682	3,297	3,682	3,297
Amount repayable to the Consolidated Fund (refer Note 7, 15)	4,102	2,360	4,102	2,360
	<b>7,784</b>	<b>5,657</b>	<b>7,784</b>	<b>5,657</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Under the Loan Facility Agreement between NSW Rural Assistance Authority and NSW Treasury the Authority must repay to the Crown both the principal and interest on the Advances in line with the principal and interest that the Authority collects from re-lending the funds. The Authority records the following amounts for these assets.

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>CURRENT</b>				
Interest Receivable – Interest on Loans (refer Note 8, 12)	1,196	1,336	1,196	1,336
Other financial assets (refer Note 9, 13)	12,975	13,157	12,975	13,157
<b>NON-CURRENT</b>				
Other financial assets (refer Note 9, 13)	81,504	67,532	81,504	67,532
	95,675	82,025	95,675	82,025

### 12. CURRENT / NON-CURRENT LIABILITIES – PAYABLES

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>CURRENT</b>				
Accrued salaries, wages and on-costs	120	112	12	14
Personnel Services payable	0	0	108	98
Creditors	728	866	728	866
Creditors - Treasury	4,878	4,633	4,878	4,633
Unearned revenue	0	793	0	793
	5,726	6,404	5,726	6,404

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 21.

### 13. CURRENT / NON-CURRENT LIABILITIES – BORROWINGS

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>CURRENT</b>				
<b>Unsecured</b>				
Treasury, NSW Loan Capital	12,975	13,157	12,975	13,157
	12,975	13,157	12,975	13,157

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>NON-CURRENT</b>				
<b>Unsecured</b>				
Treasury, NSW Loan Capital	82,039	68,093	82,039	68,093
	82,039	68,093	82,039	68,093

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 21.



#### 14. CURRENT / NON-CURRENT LIABILITIES – PROVISIONS

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>CURRENT</b>				
<b>Employee benefits and related on-costs</b>				
Personnel services	0	0	346	319
Recreation Leave	252	249	0	0
Long Service Leave	94	70	0	0
	<b>346</b>	<b>319</b>	<b>346</b>	<b>319</b>
<b>NON-CURRENT</b>				
<b>Employee benefits and related on-costs</b>				
Personnel services	0	0	5	4
Long Service Leave	5	4	0	0
	<b>5</b>	<b>4</b>	<b>5</b>	<b>4</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions – current	346	319	346	319
Provisions – non-current	5	4	5	4
Personnel Services payable (Note 12)	0	0	108	98
Accrued salaries, wages and on-costs (Note 12)	120	112	12	14
	<b>471</b>	<b>435</b>	<b>471</b>	<b>435</b>

#### 15. CURRENT/NON-CURRENT LIABILITIES - OTHER

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>CURRENT</b>				
Liability to Consolidated Fund	4,102	2,360	4,102	2,360
	<b>4,102</b>	<b>2,360</b>	<b>4,102</b>	<b>2,360</b>

#### 16. CHANGES IN EQUITY

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
Balance at the beginning of the financial year	20,022	15,174	20,022	15,174
<b>Changes in Equity – Other than transactions with owners as owners.</b>				
Surplus / (Deficit) for the year	2,907	4,848	2,907	4,848
<b>Balance at the end of the financial year</b>	<b>22,929</b>	<b>20,022</b>	<b>22,929</b>	<b>20,022</b>

**17. COMMITMENTS FOR EXPENDITURE**

	Consolidated 2009 \$'000	Consolidated 2008 \$'000	Parent 2009 \$'000	Parent 2008 \$'000
<b>(a) Service Level Agreement DPI</b>				
Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:				
Not later than one year	972	972	972	972
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
<b>Total (including GST)</b>	<b>972</b>	<b>972</b>	<b>972</b>	<b>972</b>
The total of 'Service Level Agreement' above includes input tax credits of \$44 that are expected to be recoverable from the Australian Taxation Office (50% of GST paid is not recoverable due to provision of financial supply).				
Under the current Service Level Agreement the Authority needs only provide twelve months notice to terminate the agreement.				
<b>(b) Loan Commitments</b>				
Commitments for the payment of Special Conversation Scheme and Natural Disaster Loans.				
Not later than one year	4,023	2,799	4,023	2,799
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
<b>Total (including GST)</b>	<b>4,023</b>	<b>2,799</b>	<b>4,023</b>	<b>2,799</b>
The total of Loan Commitments does not include GST as they are financial supplies.				
<b>(c) Operating Lease Commitments</b>				
<b>Lords Place, Orange building lease</b>				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	23	22	23	22
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
<b>Total (including GST)</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>22</b>
No input tax credits are expected to be recoverable from the Australian Taxation Office.				

**18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

No Contingent Liabilities or Contingent Assets are known to exist at the time of signing of these statements (2008, Nil).

**19. BUDGET REVIEW**

The budget process is finalised prior to the beginning of each financial year. Events can arise after that date that necessitates variations to the planned activities of the Authority for that year. This in turn may cause variations to the financial activities. Major variations between the budget and actual amounts are outlined below.

**Net Cost of services**

The Net Cost of Services result was \$20.502m under budget. Grants and subsidies of \$270.519m (\$430.263m in 2007/08) were \$14.786m lower than budget mainly due to under expenditure on the Rural Adjustment Scheme. Supplementation of \$117.950m was received under s 26 of the *Public Finance and Audit Act 1983* for the continuation of the Rural Adjustment Scheme and of this \$27.916m was not claimed from the Consolidated Fund.

**Assets and liabilities**

Current Assets are over budget by \$12.241m. Receivables of \$4.436m (\$4.280m in 2007/08) was \$4.436m over budget due to the continuation of the Rural Adjustment Scheme and consequent impact on GST receivable in June and the payment of Natural Disaster Relief grants which are yet to be reimbursed by the Crown. Cash and cash equivalents of \$29.073m (\$25.248m in 2007/08) was under budget by \$1,471m due to GST yet to be recovered from the payment of Rural Adjustment Scheme grants in June and the payment of Natural Disaster Relief grants yet to be reimbursed. Other financial assets of \$12,975 (\$13.157 in 2007/08) was over budget by \$9.276 mainly due to reclassification of non-current Other Financial Assets to current.

Non-current Assets are over budget by \$3.723m. This is mainly due to the increased value of the loan portfolio caused by the increased level of new loans (\$30.821m in 2008/09; \$19.027m in 2007/08). This increase has been offset by the reclassification of non-current Other Financial Assets to current.

Total Liabilities are over budget by \$13.618m. This is mainly due to the increased value of the loan portfolio caused by the increased level of new loans (\$30.821m in 2008/09; \$19.027m in 2007/08).

### **Cash flows**

Net Cash Flows from Operating are \$2.333m over budget mainly due to cash being received from the Crown for payment of Rural Adjustment Scheme grants which were not finalised by year end and resultant increase in the liability to Consolidated Fund.

Net Cash Flows from Investing and Financing activities was under budget by \$3.804m mainly due to the timing of repayments and new loans drawn down during the year.

## **20. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES**

	<b>Consolidated 2009 \$'000</b>	<b>Consolidated 2008 \$'000</b>	<b>Parent 2009 \$'000</b>	<b>Parent 2008 \$'000</b>
<b>Net cash used on operating activities</b>	<b>3,879</b>	<b>9,536</b>	<b>3,879</b>	<b>9,536</b>
Cash Flows from Government / Appropriations	(274,986)	(423,070)	(274,986)	(423,070)
Acceptance by the Crown Entity of employee benefits and other liabilities	(243)	(147)	(243)	(147)
Depreciation and amortisation	(36)	(29)	(36)	(29)
Increase / (Decrease) in Receivables	156	(3,928)	156	(3,928)
(Increase) / Decrease in Payables	678	814	678	814
(Increase) / Decrease in Provisions	(28)	(4)	(28)	(4)
<b>Net cost of services</b>	<b>(270,580)</b>	<b>(416,829)</b>	<b>(270,580)</b>	<b>(416,829)</b>

## **21. FINANCIAL INSTRUMENTS**

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance the Authority's operations. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Auditors on a continuous basis.



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (a) Financial instrument categories

<b>Financial Assets</b>	<b>Note</b>	<b>Category</b>	<b>Consolidated Carrying Amount 2009 \$'000</b>	<b>Consolidated Carrying Amount 2008 \$'000</b>	<b>Parent Carrying Amount 2009 \$'000</b>	<b>Parent Carrying Amount 2008 \$'000</b>
<b>Class:</b>						
Cash and cash equivalents	7	N/A	29,073	25,248	29,073	25,248
Receivables <sup>(1)</sup>	8	Loans and receivables (at amortised cost)	2,225	2,380	2,225	2,380
Other Financial Assets	9	Loans and receivables (at amortised cost)	94,479	80,689	94,479	80,689
<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Consolidated Carrying Amount 2009 \$'000</b>	<b>Consolidated Carrying Amount 2008 \$'000</b>	<b>Parent Carrying Amount 2009 \$'000</b>	<b>Parent Carrying Amount 2008 \$'000</b>
<b>Class:</b>						
Payables <sup>(2)</sup>	12	Financial liabilities measured at amortised cost	5,726	5,611	5,726	5,611
Borrowings	13	Financial liabilities measured at amortised cost	95,014	81,250	95,014	81,250

#### Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

### (b) Credit Risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables and authority deposits. Advances Receivable - Loans to Clients is composed mainly of Disaster and Special Scheme Loans. Disaster Loans are secured by registered mortgages over land and Special Scheme Loans are by Statutory Charge and registered caveat over the land on which the proposed works are to be carried out. The Authority has not granted any financial guarantees.

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

#### Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in para (d) below.

#### Receivables – trade debtors

All trade debtors are recognised as amounts at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2009: \$0; 2008: \$0) and past due (2009: \$0; 2008: \$0) are not considered impaired and together these represent 100% of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

### Other Financial Assets

Other Financial Assets represents loans advanced by the Authority to primary producers and small businesses under various schemes. The carrying amount of Advances Receivable-Loans to Clients represents the present value of the outstanding principal and interest raised not accrued. Collectability of Advances Receivable-Loans to Clients is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). Interest is charged on the loans using various methods and rates, depending on the loan scheme. Currently, the interest rate on the special conservation scheme loans is set at 75% of the current NSW Treasury Corporation 10-year Bond Rate adjusted quarterly. This interest rate is set at the approval rate and is fixed for the life of the loan. The interest rate on Natural Disaster Loans is fixed at 50% of the 10-year Bond Rate. Currently the rate is 2.85% fixed for a year.

Special conservation scheme loans may be drawn down over a period, generally 12 months, and are recognised at fair value, usually based on the transaction cost or face value until fully determined (2009: \$6.128m; 2008: \$4.066m). Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

The Authority is not materially exposed to concentrations of credit risk to a single loan debtor or group of loan debtors. Based on past experience, debtors that are not past due and not impaired (2009: \$100.769m; 2008: \$84.927m) and past due (2009: \$2.182m; 2008: \$3.143m) and not impaired together represent 99% (2008: 99%) of the total loan debtors.

	Total <sup>1,2</sup> \$'000	Past due but not impaired \$'000	Considered impaired \$'000
<b>2009</b>			
< 3 months overdue	327	185	142
3 months – 6 months overdue	85	85	0
> 6 months overdue	2,305	1,912	393
<b>2008</b>			
< 3 months overdue	257	257	0
3 months – 6 months overdue	197	190	7
> 6 months overdue	3,251	2,697	554

#### Notes

1. Each column in this table represents “gross receivable”
2. The ageing analysis excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivable total recognised in the balance sheet.

### Authority Deposits

The Authority has no funds placed on deposit with TCorp.

### Other Facilities

The Authority has access to the following banking facilities:

	2009 \$'000	2008 \$'000
Mastercard Limit	15	15

The Authority has an annual loan drawdown facility with NSW Treasury (2009: \$36.500m; 2008: \$20.000m)

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### (c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. The rate of interest applied during the year was 0% (2008 – 0%).

The table below summarises the maturity profile of the Authority's financial liabilities, together with the interest rate exposure.

### Maturity analysis and interest rate exposure of financial liabilities

			Interest Rate Exposure			Maturity Dates		
	Weighted Average Effective Int. Rate	Nominal Amount <sup>1</sup> \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000	< 1 yr	1 – 5 yrs	> 5 yrs
<b>2009</b>								
Payables	0	5,726	0	0	5,726	5,726	0	0
Borrowings:								
Advances repayable	4.11%	120,294	120,294	0	0	18,720	67,009	34,565
		<b>126,020</b>	<b>120,294</b>	<b>0</b>	<b>5,726</b>	<b>24,446</b>	<b>67,009</b>	<b>34,565</b>
<b>2008</b>								
Payables	0	5,611	0	0	5,611	5,611	0	0
Borrowings:								
Advances repayable	6.14%	101,603	101,603	0	0	18,376	51,131	32,096
		<b>107,214</b>	<b>101,603</b>	<b>0</b>	<b>5,611</b>	<b>23,987</b>	<b>51,131</b>	<b>32,096</b>

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the balance sheet.

### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risk on the Authority's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the balance sheet date. The analysis is performed on the same basis for 2008. The analysis assumes that all other variables remain constant.



### Interest rate risk

Exposure to interest rate risk arises primarily through the Authority's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of + / - 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

		-1%		1%	
	Carrying Amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2009</b>					
<i>Financial assets</i>					
Cash and cash equivalents	29,073	(291)	(291)	291	291
Receivables	1,722	0	0	0	0
Other Financial Assets	94,982	0	0	0	0
<i>Financial liabilities</i>					
Payables	5,726	0	0	0	0
Borrowings	95,014	0	0	0	0
<b>2008</b>					
<i>Financial assets</i>					
Cash and cash equivalents	25,248	(252)	(252)	252	252
Receivables	1,623	0	0	0	0
Other Financial Assets	81,446	0	0	0	0
<i>Financial liabilities</i>					
Payables	5,611	0	0	0	0
Borrowings	81,250	0	0	0	0

### Other price risk – Tcorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Authority has no direct equity investments. The Authority holds no units in Hour-Glass investment trusts.

### (e) Fair Value

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of many of the financial instruments.

## 22. SUBSEQUENT EVENTS

The Public Sector Employment and Management (Departmental Amalgamations) Order 2009 dated 27 July 2009 has established the Department of Industry and Investment. This legislation may impact the NSW Rural Assistance Authority and the Office of the Rural Assistance Authority where in the opinion of the Director General of the Department of Premier and Cabinet, staff involved in activities prescribed by the Order are removed as required from the Office and added to the Department of Industry and Investment at a future date.

*End of the audited financial statements.*

# OFFICE OF THE NSW RURAL ASSISTANCE AUTHORITY – INDEPENDENT AUDITOR'S REPORT



GPO Box 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Office of the Rural Assistance Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Office of the Rural Assistance Authority (the Office), which comprises the balance sheet as at 30 June 2009, the operating statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

#### **Auditor's Opinion**

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Office as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

#### **Division Head's Responsibility for the Financial Report**

The Division Head is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Audit's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Office's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Division Head as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Office,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

#### **Independence**

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

A handwritten signature in black ink, appearing to read 'Peter Barnes'.

**Peter Barnes**  
Director, Financial Audit Services

19 October 2009  
SYDNEY

# STATEMENT BY THE CHIEF EXECUTIVE

## OFFICE OF THE RURAL ASSISTANCE AUTHORITY


### STATEMENT BY THE CHIEF EXECUTIVE

Pursuant to Section 41C of the Public Finance and Audit Act 1983, I state that:

- The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the applicable clauses of the Public Finance and Audit Regulation 2005 and the Treasurer's Directions;
- The statements exhibit a true and fair view of the financial position and transactions of the Office for the year ended 30 June 2009; and
- At the date on which the statement is signed, there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Date:

19/10/09



**G Davey**  
Chief Executive

# FINANCIAL STATEMENTS

## OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Actual 2009 \$'000	Actual 2008 \$'000
<b>Expenses excluding losses</b>			
Employee related			
Salaries and wages (including recreation leave)		2,409	2,573
Superannuation-defined benefit plans		72	49
Superannuation-defined contribution plans		151	169
Long service leave		189	97
Workers compensation insurance		14	11
Payroll tax and fringe benefits tax		123	135
Other - Miscellaneous		11	1
<b>Total expenses excluding losses</b>		<b>2,969</b>	<b>3,035</b>
<b>Revenue</b>			
Personnel Services	1(d)	2,969	3,035
<b>Total Revenue</b>		<b>2,969</b>	<b>3,035</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>0</b>	<b>0</b>

The accompanying notes form part of these financial statements

## STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Actual 2009 \$'000	Actual 2008 \$'000
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>		<b>0</b>	<b>0</b>
Surplus / (Deficit) for the year		0	0
<b>TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR</b>		<b>0</b>	<b>0</b>

The accompanying notes form part of these financial statements



# **BALANCE SHEET AS AT 30 JUNE 2009**

	Notes	Actual 2009 \$'000	Actual 2008 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Receivables	1(e)	454	417
<b>Total Current Assets</b>		<b>454</b>	<b>417</b>
<b>Non-Current Assets</b>			
Receivables	1(e)	5	4
<b>Total Non-Current Assets</b>		<b>5</b>	<b>4</b>
<b>Total Assets</b>		<b>459</b>	<b>421</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	1(f)	44	45
Accrued salaries, wages and on-costs	1(f), 2	64	53
Employee Provisions	1(g), 2	346	319
<b>Total Current Liabilities</b>		<b>454</b>	<b>417</b>
<b>Non-Current Liabilities</b>			
Employee Provisions	1(g), 2	5	4
<b>Total Non-Current Liabilities</b>		<b>5</b>	<b>4</b>
<b>Total Liabilities</b>		<b>459</b>	<b>421</b>
<b>Net Assets</b>		<b>0</b>	<b>0</b>
<b>EQUITY</b>			
Accumulated funds		0	0
<b>Total Equity</b>		<b>0</b>	<b>0</b>

The accompanying notes form part of these financial statements

# **CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	Actual 2009 \$'000	Actual 2008 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payment</b>			
Employee related		0	0
<b>Total Payments</b>		<b>0</b>	<b>0</b>
<b>Receipts</b>			
Personnel Services		0	0
<b>Total Receipts</b>		<b>0</b>	<b>0</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>0</b>	<b>0</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>0</b>	<b>0</b>
Opening cash and cash equivalents		0	0
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>5</b>	<b>0</b>	<b>0</b>

The accompanying notes form part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Reporting Entity

The Office of the Rural Assistance Authority (The Office) is a Division of the Government Service, established pursuant to Part 1 of Schedule 1 of the *Public Sector Employment and Management Act 2002*. It is consolidated as part of the NSW Total State Sector Accounts.

The Office's objective is to provide personnel services to the NSW Rural Assistance Authority. The Office has responsibility for the employees and employee-related liabilities of the NSW Rural Assistance Authority.

This financial report for the year ended 30 June 2009 has been authorised for issue by the Chief Executive on 19 October 2009. The report will not be amended and reissued as it has been audited.

### (b) Basis of Preparation

The Office's financial report is a general purpose financial report which has been prepared in accordance with:

- the requirements of Australian Accounting Standards (which include Australian Accounting Interpretations);
- the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2005*
- specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See Note 2.

The accrual basis of accounting has been adopted in the preparation of the financial report, except for cash flow information.

Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (d) Income recognition

Income is measured at the fair value of the consideration received or receivable. Income from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

### (e) Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for doubtful debts. A short-term receivable with no stated interest rate is measured at the original invoice amount where the

effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

If there is objective evidence at year end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for doubtful debts and the resulting loss is recognised in the operating statement. Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to be irrecoverable. Any other loss or gain arising when a receivable is derecognised is also recognised in the operating statement.

### (f) Payables

Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) when there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

A short-term payable with no stated interest rate is measured at historical cost if the effect of discounting is immaterial.

### (g) Employee benefits and other provisions

#### (i) Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits) and annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

#### (ii) Long service leave and superannuation

The Agency's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The agency accounts for the liability as having been extinguished; resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic

Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

#### (h) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

Where necessary, the Office has reclassified and repositioned comparatives to be consistent with current year disclosures except when an Australian Accounting Standard permits or requires otherwise.

#### (i) Prior Period Errors

For the year ended 30 June 2008 balances related to the accrual of Board Members Allowances were incorrectly included in the Receivables and Accrued salaries, wages and on-costs of the Office of the Rural Assistance Authority. Board Member Allowances are met by the NSW Rural Assistance Authority.

The effect of the changes for each line item affected is tabulated below:

	Reported 2008 Balance	Adjustment Incr/(decr)	Adjusted 2008 Balance
<b>Balance Sheet</b>			
Current Assets - Receivables	431	(14)	417
Current Liabilities - Accrued salaries, wages and on-costs	67	(14)	53

Restated financial information for 2008 is presented as if the errors had not been made.

#### (j) New Australian Accounting Standards issued but not effective

At reporting date all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (The AASB) that are relevant to the Office's operations and effective for the current annual reporting period have been adopted.

The following Australian Accounting Standards/Interpretations have been mandated by NSW Treasury not to be adopted early in this financial report:

- AASB 3 (March 2008), AASB 127 and AASB 2008-3 regarding business combinations;
- AASB 8 and AASB 2007-3 regarding operating segments;
- AASB 101 (Sept 2007), AASB 2007-8 and AASB 2007-10 regarding presentation of financial statements;
- AASB 123 (June 2007) and AASB 2007-6 regarding borrowing costs;
- AASB1039 regarding concise financial reports;
- AASB 2008-1 regarding share based payments;
- AASB 2008-2 regarding puttable financial instruments;

- AASB 2008-5 and AASB 2008-6 regarding amendments to Australian Accounting Standards arising from the Annual Improvements Project;
- AASB 2008-7 regarding costs of an investment in a subsidiary, jointly controlled entity, or an associate;
- AASB 2008-8 regarding eligible hedged items;
- AASB 2008-9 regarding AASB 1049 amendments consistent with AASB 101;
- AASB 2008-11 regarding business combinations with not-for-profit entities;
- AASB 2009-1 regarding borrowing costs of not for profit public sector entities;
- AASB 2009-2 regarding financial instruments disclosures;
- Interpretation 15 on construction of real estate;
- Interpretation 16 on hedges of a net investment in a foreign operation;
- Interpretation 17 and AASB 2008-13 on distribution of noncash assets to owners;
- Interpretation 18 on transfers of assets from customers.

## 2. CURRENT / NON-CURRENT LIABILITIES – PROVISIONS

	2009 \$'000	2008 \$'000
<b>CURRENT</b>		
Employee benefits and related on-costs		
Recreation Leave	252	249
Long Service Leave	94	70
	<b>346</b>	<b>319</b>
<b>NON-CURRENT</b>		
Employee benefits and related on-costs		
Long Service Leave	5	4
	<b>5</b>	<b>4</b>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions – current	346	319
Provisions – non-current	5	4
Accrued salaries, wages and on-costs	64	53
	<b>415</b>	<b>376</b>

## 3. COMMITMENTS

There were no Operating or Other Commitments outstanding as at 30 June 2009 (2008, Nil).

## 4. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No Contingent Liabilities or Contingent Assets are known to exist at the time of signing of these statements (2008, Nil).

## 5. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING RESULT

	2009 \$'000	2008 \$'000
Net cash from operating activities	0	0
Increase / (Decrease) in Receivables	38	9
(Increase) / Decrease in Payables	(10)	(5)
(Increase) / Decrease in Provisions	(28)	(4)
Surplus / (Deficit) for the Year	0	0

## 6. AUDIT FEES

All audit fees are met directly by the NSW Rural Assistance Authority.

## 7. FINANCIAL INSTRUMENTS

The Office has no cash and cash equivalents and all receivables (2009: \$459; 2008: \$421) relate to a single debtor, the NSW Rural Assistance Authority. No receivables are past due or impaired.

All liabilities (2009: \$459; 2008: \$421) are payables, accruals and provisions relating to the provision of personnel services to the NSW Rural Assistance Authority.

These financial instruments arise directly from the Office's operations or are required to finance the Office's operations. The Office does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Office's financial instruments are managed by the NSW Rural Assistance Authority. The Authority continuously manages risk through monitoring future cash flows. The Office's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

The Office has no interest bearing liabilities or assets and is not exposed to market risk.

## 8. SUBSEQUENT EVENTS

The Public Sector Employment and Management (Departmental Amalgamations) Order 2009 dated 27 July 2009 has established the Department of Industry and Investment. This legislation may impact the Office of the Rural Assistance Authority where in the opinion of the Director General of the Department of Premier and Cabinet, staff involved in activities prescribed by the Order are removed as required from the Office and added to the Department of Industry and Investment at a future date.

*End of the audited financial statements.*



## ***Management***

1. Legislation
2. Risk management
3. Statement of Responsibility
4. Business Continuity Plan
5. Energy management
6. Waste reduction and purchasing policy
7. Use of consultants
8. Payment performance
9. Credit card certification
10. Reviews

## ***Stakeholder Relationships***

11. Publicity and promotion
12. Electronic service delivery
13. Freedom of information
14. Ombudsman
15. Privacy management
16. Consumer response
17. Guarantee of service

## ***Human Resources***

18. Occupational health and safety
19. Equal employment opportunity
20. Disability action plan
21. Protected disclosures
22. Ethnic Affairs Priorities Statement
23. Code of conduct

## 1. Legislation

### State

There were no amendments to the state legislation administered by the Authority (the *Rural Assistance Act 1989* and the *Farm Debt Mediation Act 1994*) nor were there any significant judicial decisions affecting the Authority or its clients.

### Commonwealth

The Authority is also responsible for the administration of Australian Government-funded assistance. By agreement, the Authority is affected by the relevant Australian Government legislation. Assistance measures available to farmers under the *Rural Adjustment Act 1992* ceased on 30 June 1998, with the exception of assistance under the Exceptional Circumstances provisions of that legislation.

## 2. Risk Management

As an inner budget sector organisation, the Authority participates in the NSW Treasury's Managed Fund, the NSW Government's self-insurance scheme. The scheme is administered on behalf of the Government by the GIO and Allianz to include insurance cover for workers compensation, motor vehicles, public liability, property and miscellaneous insurance.

The Manager Administration is responsible for ensuring that an effective program of risk management and insurance operates within the Authority.

The main risk areas identified within the Authority are:

- workers' injury risk
- property damage
- equipment damage
- public liability exposure
- risks associated with domestic travel.

The Authority's 2008-09 Workers' Compensation premium increased by \$999 on the 2007-08 premium. There were no new worker's compensation claims received in 2008-09.

General insurance premiums decreased by \$2,720 in 2008-09.

### Safety Inspections

Workplace inspections required under the *Occupational Health and Safety Act 2000* were conducted by the Occupational Health and Safety Committee on a regular basis during 2008-09.

There were no significant issues raised by members of the Occupational Health and Safety Committee during these inspections.

### Significant improvements in internal control

The Authority has in place policy and procedures for supplying information to both clients and external bodies in compliance with the *Freedom of Information Act 1989* and the *Privacy and Personal Information Protection Act 1998*.

Staff regularly complete training in occupational health and safety, the code of conduct, fraud awareness, investigating fraud and corruption are completed on a regular basis in key work areas.

Fraud risk assessments were conducted.

## 3. Statement of Responsibility

In accordance with Treasury's statement of best practice in July 1995, I am pleased to provide reasonable assurance that the NSW Rural Assistance Authority, through its senior management, policy board and other employees has in place an internal control and audit process designed to assess and review the Authority's performance in achieving its stated objectives.

These measures include internal audit, corporate and strategic planning, annual reporting of outputs, outcomes and inputs, annual program statements to government and management reviews.

Specific matters highlighted in fraud risk assessment and audit reviews are conveyed to the relevant staff for implementation of recommended strategies where appropriate.



GEORGE DAVEY  
Chief Executive

## 4. Business Continuity Plan

Business continuity plans have been developed for the Authority. Staff training and testing of the plans is being arranged.

## 5. Energy management

The Authority is co-located with NSW Department of Primary Industries and operates under the Department's energy management plan.

## 6. Waste reduction and purchasing policy

In compliance with the *Waste Avoidance and Resource Recovery Act 2001*, the Authority has implemented the following:

### Waste Reduction

- Extensive use of the internet, which reduces the use of paper products
- Printing of large documents doubled-sided, where possible.

### Purchases

The Authority has increased purchase of:

- recycled toner cartridges by 40 per cent
- large envelopes made with recycled paper by 75 per cent
- advertising material on recycled cardboard by 20 per cent
- business cards on recycled cardboard by 100 per cent
- giveaway bags made of degradable plastic

### Resource Recovery

The Authority:

- returns all used toner cartridges to the relevant suppliers for recycling
- sends approximately 80 per cent of waste paper for recycling
- reprocesses all documents sent for certificated secure shredding.

## 7. Use of Consultants

There were no consultants engaged by the Authority during 2008-09.

## 8. Payment Performance

### Aged Analysis at the End of each Quarter

September	747,460	19,252	33	2,288	0
March	674,073	24,217	0	0	27,930

### Accounts paid on time within each quarter

September	95	97.2	747,460	769,033
March	95	92.8	674,073	726,220

#### Commentary on Payment Performance

- Percentages of payments paid on time were generally in line with the Authority's target percentage.
- The third quarter was below the target due to queries relating to several invoices received.
- There were no instances of penalty interest paid or incurred during 2008-09.
- The terms of payment on suppliers are reviewed to ensure that sufficient and reasonable time is afforded the Authority for payment.

## 9. Credit card certification

The Authority has three credit card holders. The maximum limit is \$3,500. These cards are managed in accordance with the Premier's memoranda and Treasurer's directions.

## 10. Reviews

There were four internal audit reviews in 2008-09 and two external audit reviews.

## 11. Publicity and Promotion

### Publicity

The Authority endeavours to inform NSW farmers and small business operators, as well as their advisers, about the financial assistance available through the Authority.

The increasing need to assist farmers and small businesses in managing the financial effects of the continuing drought, together with the floods and severe storms that can affect the State has reinforced the importance of an effective promotion strategy.

Strategies include but are not limited to:

- regularly reviewing, updating and improving the Authority's website
- making available electronic and hard copy application forms, information bulletins and brochures

- participating in radio and television interviews, publishing newspaper articles and advertisements
- attending promotional events such as farm family gatherings and field days
- partnering agencies, including the NSW rural counselling services, catchment management authorities and the NSW Department of Primary Industries to exchange information and provide improved service to clients.

### Publications

The following publications were available from the Authority in 2008-09:

- A Brief History of the New South Wales Rural Assistance Authority*
- AgStart Application Form*
- Annual Report 2007-08*
- Appeal Process Brochure*
- Application for Deferral of Loan Repayments – Primary Producer*
- Application for Deferral of Loan Repayments – Small Business*
- Disability Action Plan*
- Exceptional Circumstances Assistance Lenders Certificate*
- Exceptional Circumstances Interest Rate Subsidy Application Form – Primary Producer*
- Exceptional Circumstances Interest Rate Subsidy Application Form – Small Business*
- Exceptional Circumstances Interest Rate Subsidy Assistance Information Bulletin – Primary Producer*
- Exceptional Circumstances Interest Rate Subsidy Information Bulletin – Small Business*
- Exceptional Circumstances Schedule 1*
- Farm Debt Mediation Brochure*
- Farm Debt Mediation Kit*
- Natural Disaster Relief Assistance - Recovery Grant - Primary Producer - Information Bulletin*
- Natural Disaster Relief Assistance - Recovery Grant – Small Business - Information Bulletin*
- Natural Disaster Relief Assistance - Recovery Grant - Primary Producer - Application Form*
- Natural Disaster Relief Assistance - Recovery Grant – Small Business - Application Form*
- Natural Disaster Relief Scheme Brochure*
- Natural Disaster Relief Scheme - Primary Producers Application Form*
- Natural Disaster Relief Scheme - Primary Producer Information Brochure*
- Natural Disaster Relief Scheme - Small Business Application Form*
- Natural Disaster Relief Scheme - Small Business Information Brochure*
- Privacy Management Plan*
- Special Conservation Scheme Application Form*
- Special Conservation Scheme Information Brochure*
- Special Conservation Scheme Interim Application Form*
- Special Conservation Scheme – Mortgagee's Consent*
- What is AgStart?*
- Who we are – Information Brochure*
- Working Together - NSW Rural Assistance Authority/Lachlan Catchment Management Authority Partnership – Brochure*
- Working Together - NSW Rural Assistance Authority/Lachlan Catchment Management Authority Partnership - Flyer*



### 12. Electronic service delivery

The Authority's application forms for assistance are available on the website along with information relating to available assistance.

The Authority's website has recently been upgraded in line with the NSW Government's Website Style Directive for improved accessibility and information delivery to clients.

### 13. Freedom of information

The *Freedom of Information Act 1989* provides legal access to members of the public to documents and files held by government agencies.

The Act is administered in the NSW Rural Assistance Authority through FOI officers who have delegations to make determination for access or amendments to records. The following narrative information relating to FOI applications received is provided in accordance with the NSW FOI Manual:

#### FOI applications

The Authority received three new applications in 2008-09 compared with two in 2007-08. All applications were personal, granted in full and provided to the applicant.

There was one formal consultation required and all applications were processed in 2008-09. A total of \$90 was received in application fees with a refund of \$15 granted for financial hardship. There were no assessed costs for 2008-09.

Two applications were processed within the statutory determination period of 21 days and one was processed within the extended statutory period for consultation. There were no applications for internal reviews.

### 14. Ombudsman

There were three enquiries received from the Ombudsman during 2008-09 in relation to schemes administered by the Authority.

### 15. Privacy management

To comply with the *Privacy and Personal Information Protection Act 1998*, the Authority has completed a Privacy Management Plan and submitted it to the Privacy Commissioner.

### 16. Consumer Response

There were no formal complaints relating to client services in 2008-09. The mechanism for handling complaints from clients is detailed in the following Guarantee of Service.

### 17. Guarantee of service

The Authority's Guarantee of Service is reviewed regularly to ensure it meets with both the requirements of the Government and the expectations of the Authority's clients.

During 2008-09 revisions to the Guarantee of Service included mention of the Authority's commitment to assist clients that have difficulty reading and writing.

#### SERVICES AVAILABLE

Our responsibility is assistance.

The schemes currently available are:

- the Commonwealth Rural Adjustment Scheme, which gives financial help to farmers to promote both growth in productivity and farm adjustment
- the State Special Conservation Scheme, which gives financial help to farmers to promote better land management

- the State Relief Scheme, which gives financial help to farmers and small businesses to help them recover from production losses after natural disasters.

Other schemes are provided from time to time, and special Information Bulletins are issued for these.

#### QUALITY OF SERVICE

Our responsibilities are to:

- give you full details of the types of help available
- assess your application fairly and impartially
- under normal circumstances, give you an initial decision within 28 days of receiving your application
- not make it hard for you to use our services if you have difficulty understanding English
- not make it hard for you to use our services if you have difficulty reading and writing
- give you a clear and easily understood decision
- treat you with honesty, courtesy and respect
- provide a free interpreter or translator if you need one
- handle your application with the utmost privacy and confidentiality
- be available for enquiries from 8.30 am to 5.00 pm, Monday to Friday, excluding public holidays.

#### YOUR RESPONSIBILITIES

Your responsibilities are to:

- treat our staff with courtesy and respect
- give us all the information we need to make an accurate decision
- let us know if your situation changes and you no longer need help.

#### HOW TO MAKE A COMPLAINT

If you are not satisfied with our quality of service you can:

- first discuss the matter with the Authority staff member responsible for handling your application or inquiry, and/or
- arrange for a personal interview with a senior officer

**If you are still not satisfied, put your suggestion or complaint in writing to:**

The Manager Administration  
NSW Rural Assistance Authority  
Locked Bag 23  
ORANGE NSW 2800  
Email: rural.assist@raa.nsw.gov.au  
Fax: 02 6391 3098

#### Your complaint should include:

- your name and contact details
- a short summary of the issue and the Authority's actions relevant to the complaint. Staff members involved in the issue
- the action you are seeking to resolve the complaint.

If you have difficulty writing this complaint you should seek the assistance of your rural/financial counsellor, solicitor, accountant or a trusted family member/friend.

#### As a last resort, make a formal complaint to:

Office of the Ombudsman  
Level 24, 580 George Street  
SYDNEY NSW 2000



The Authority is involved in implementing government policy. If you have a complaint about policy we can help you by explaining the policy and its aims, but we cannot change the policy. Nevertheless we can give the Government your valuable feedback.

## 18. Occupational health and safety

The Authority is committed to providing a safe and supportive working environment. The Occupational Health and Safety Committee continued to work closely with management in 2008–09 to achieve the Authority's objectives. Safety inspections continued during the year, with no major areas of concern being identified.

Any incidents reported are reviewed by the Committee to ensure compliance with policy and procedures.

Occupational health and safety procedures and policy form part of the induction program for Authority staff.

A range of Occupational Health and Safety policies and procedures were implemented in 2008–09 following approval by the Authority's management and the Occupational Health and Safety Committee.

During the year the Authority had no workers compensation claims.

## 19. Equal employment opportunity

### Number of Employees

Category	June 05	June 06	June 07	June 08	June 09
CHIEF & SENIOR EXECUTIVE SERVICES					
Level 1	1	1	1	1	1
Number filled by Women	0	0	0	0	0
ADMINISTRATIVE & CLERICAL					
Assessment Staff	20	18	18	19	13
Legal	2	2	1	2	1
Finance, Administration & Other	15	15	18	17	15
TOTAL	38	36	38	39	30

### Representation of EEO Target Groups Trends

	2007-08			2008-09		
	Total Staff	Women	NESB (1)	Total Staff	Women	NESB (1)
< \$36,677 (2)						
\$36,677 - \$48,172 (3)	6	5	1	4	3	1
\$48,173 - \$53,854	9	8	1	5	4	0
\$53,855 - \$68,147	14	7	1	11	7	1
\$68,148 - \$88,127	5	2	0	5	2	0
\$88,128 - \$110,160	4	0	0	4	0	0
> \$110,160 (SES)	1	0	0	1	0	0
TOTAL	39	22	3	30	16	2

1. Non-English speaking background
2. Employees on salaries below Clerical Officer Scale Grade 1, Year 6.
3. Employees on salaries from Clerical Officer Grade 1, Year 6 to below minimum Administrative and Clerical Scale Grade 1.

### Trends in the Representation of EEO Groups

EEO Group	Benchmark or Target %	% of Total Staff			
		2006	2007	2008	2009
Women	50	47	53	56	53
Aboriginal people and Torres Strait Islanders	2	0	0	0	0
People whose first language was not English	20	11	11	13	14
People with a disability	12	3	3	0	0
People with a disability requiring work-related adjustment	7	0	0	0	0

### Trends in the Distribution of EEO Groups

EEO Group	Benchmark or Target %	Distribution Index			
		2006	2007	2008	2009
Women	100	n/a	n/a	n/a	n/a
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	n/a	n/a	n/a	n/a
People with a disability	100	n/a	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

#### Notes:

1. Staff numbers are as at 30 June.
2. Excludes casual staff.
3. A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by ODEOPE.
4. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

### Representation & Recruitment of Aboriginal Employees and Employees with Physical Disabilities

	2007-08			2008-09		
	Total Staff	Aboriginal People	PWPD#	Total Staff	Aboriginal People	PWPD#
Total Employees	39	0	0	30	0	0
Recruited in the year	5	0	0	1	0	0

\* People with a Physical Disability.

### Flexible working arrangements

The Authority continues to make flexible work arrangements available to its staff through the Flexible Working Hours Agreement and the provision of flexible work practices.

# CODE OF CONDUCT

## 20. Disability Action Plan

The Authority is committed to maintaining and improving access for disabled people to its services and employment opportunities. This is achieved by:

- ensuring disability access to the Authority's office for clients and staff
- ensuring access to services
- providing employment opportunities for people with disabilities
- making retraining programs available to people who are not able to continue their preferred career due to a disability.

A review of the Authority's Disability Action Plan was commenced during 2008-09 in line with revised guidelines published by the NSW Department of Ageing, Disability and Home Care. It is expected that the revised plan will be lodged with Department of Ageing, Disability and Home Care in late 2009.

## 21. Protected disclosures

The Authority provides information on employees' rights under the *Protected Disclosures Act 1994* by:

- circulating information on the Act
- making freely available the Premier's Department brochure regarding the Act
- utilising its grievance procedures as the basis for internal reporting under the Act
- incorporating the main aims of the Act into the Authority's Code of Conduct.

There were no protected disclosures in 2008-09.

## 22. Ethnic Affairs Priorities Statement

In response to the cultural and linguistic needs of its clients and staff, the Authority has developed an Ethnic Affairs Priorities Statement (EAPS). The EAPS seeks to achieve outcomes in the areas of social justice, community harmony, and economic and cultural opportunities, together with performance measures and plans for future action.

The Authority's EAPS includes initiatives and strategies designed to better meet the needs of our clients.

## 23. Code of Conduct

The Authority has revised its Code of Conduct in accordance with the Model Code of Conduct for NSW Public Agencies. A copy of the full code appears below.

### 1. New South Wales Rural Assistance Authority

The NSW Rural Assistance Authority is a Schedule 2 Administrative Unit under the Public Sector Management Act 1988 and was constituted pursuant to the Rural Assistance Act 1989.

The Authority evolved from a Working Party report commissioned by the Government to rationalise the administration of assistance to the rural sector. Prior to the formation of the Authority, assistance was administered by two separate agencies - i.e. Rural Assistance Board and the Rural Industries Agencies which were administered by the Rural Bank of NSW, and more recently the State Bank of NSW.

In broad terms the function of the Authority is to administer a wide range of assistance measures to the rural sector. These assistance measures are both Commonwealth and State funded. Whilst the rural sector is the agency's core client, it must also be mentioned that the Authority is responsible for the administration of relief assistance to small businesses who have suffered loss or damage due to natural disaster.

The nature of the Authority's work requires that it has skilled staff, particularly in the areas of lending, finance and legal - who have

the knowledge, ability and experience to respond to the obligations imposed by the institution of various schemes and assistance measures.

It also requires staff who exhibit care and compassion in their dealings with clients - staff who are good communicators and who are motivated and flexible in their approach to their work.

The Authority is particularly aware of the way staff present themselves in all facets of their work including appearance, manner of communication, competency in handling matters etc., as it is aware many of its clients are in extremely adverse circumstances and it is therefore keen to try and impart a sense of confidence in its clients.

It is recognised that each individual in the workforce has their own set of moral and ethical standards and these will vary from one individual to another, however, the purpose of the guidelines set out in the code following is to prescribe the minimum standards that will be acceptable and applicable to all employees.

### 2. To Whom Does This Code of Conduct Apply

This code applies to permanent and temporary full-time and part-time employees of the Authority.

Officers of the Senior Executive Service are subject to a separate Code of Conduct.

### 3. Principles

Codes are prepared within a framework of principles which are fundamental to the ethos governing behaviour. These have been identified for the public sector as:

#### Responsibility to the Government of the Day

The Government of the day is entitled to expect officers of the Authority to provide impartial and accurate advice and to implement its policies promptly, efficiently and effectively. Employees of the Authority must comply with any relevant legislative, industrial and administrative requirements.

When implementing Government policy, officers of the Authority's own values should not take precedence over those explicit or implicit in Government policy. When faced with having to implement a policy which is at variance with their own views, officers of the Authority should discuss the matter with an appropriate officer, depending on the nature of the matter, to resolve the issue.

#### Respect for People

Officers of the Authority are to treat members of the public and their colleagues fairly and consistently, in a non-discriminatory manner with proper regard for their rights and obligations. In this regard, they should perform their duties in a professional and responsible manner.

They should also ensure that their decisions and actions are reasonable, fair and appropriate to the circumstances, based on a consideration of all the relevant facts, and supported by adequate documentation.

#### Integrity and Public Confidence

The public has a right to expect that public sector organisations are of the highest integrity and competence which treat all citizens fairly, reasonably and equitably.

Officers should protect the reputation of the Authority. They should not engage in activities, at work or outside work, which would bring the Authority into disrepute.

#### Responsive Service

Officers are to provide a relevant and responsive service to their clients, providing all necessary and appropriate assistance and fulfil the Authority's service performance standards.

They should provide information promptly and in an appropriate format that is easy for the recipient to understand. The information should be clear, accurate, current and complete.

### ***Economy and Efficiency***

Officers should keep up to date with advances and changes in their area of expertise, and look for ways to improve performance and achieve high standards of public administration. They should use their authority, available resources and information only for the work-related purpose intended.

### ***Rights of Officers of the Authority***

The rights of officers of the Authority are the normal rights of employees, under the common law and within the provisions of legislation as applicable to Public Servants generally.

## ***4. Conflicts of Interest***

Officers of the Authority should avoid any financial or other interest or undertaking that could directly or indirectly compromise the performance of their duties.

Conflicts of interest should be assessed in terms of the likelihood that officers possessing a particular interest could be influenced, or might appear to be influenced, in the performance of their duties on a particular matter.

Some related interests that may give rise to a conflict of interest include:

- financial interests in a matter the Authority deals with or having friends or relatives with such an interest that the officer is aware of
- personal beliefs or attitudes that influence the impartiality of advice given
- personal relationships with people the Authority is dealing with that go beyond the level of a professional working relationship
- secondary employment that comprises the integrity of the officer and the Authority
- party political activities or making adverse political comments that relate to the Authority's work.

In many cases only the individual officer will be aware of the potential for conflict. Therefore, the onus is on the officer to notify their manager if a potential or actual conflict of interest arises. If officers are uncertain whether a conflict exists, they should discuss the related interest matter with their manager and attempt to resolve any conflicts of interest that may exist.

## ***5. Acceptance of Gifts or Benefits***

No officer of the Authority should accept a gift or benefit if it could be seen by the public, knowing the full facts, as intended or likely to cause the officer to do their job in a particular way, or deviate from the proper course of duty.

Organisations will vary in their policies on accepting gifts and benefits depending upon the nature of their business. It is expected, however, that token gifts or benefits may be accepted in circumstances approved by the Chief Executive, provided that there is no possibility that the recipient might be, or might appear to be, compromised in the process.

As a general rule a line may be drawn in situations where a gift could be seen by others as either an inducement or a reward which might place an officer under an obligation.

In all instances, gifts that are received by any officer of the Authority must be recorded in a Gifts Register detailing the following:

- date received
- name of recipient
- name of offerer
- type of gift
- estimated value
- accepted or declined
- reason for decision
- authorisation

## ***6. Personal and Professional Behaviour***

Officers of the Authority should perform any duties associated with their positions diligently, impartially and conscientiously, to the best of their ability.

In the performance of their duties, officers of the Authority should:

- keep up to date with advances and changes in their area of expertise
- comply with any relevant legislative, industrial or administrative requirements
- maintain adequate documentation to support any decisions made
- treat members of the public and other staff members with courtesy and sensitivity to their rights
- treat fellow workers with dignity, respect and courtesy, observing acceptable standards of conduct and speech in accordance with the general standards of society today. Staff should also exhibit tolerance and helpfulness towards their fellow workers – the more experienced and senior members of staff should accept as part of their duty the obligation to assist, train and impart knowledge to younger or less experienced staff
- provide all necessary and appropriate assistance to members of the public
- strive to obtain value for public money spent and avoid waste and extravagance in the use of public resources
- not take or seek to take improper advantage of any official information gained in the course of employment
- deal consistently, promptly and fairly with issues or cases under consideration and without any hint of discrimination on any grounds.

Officers of the Authority have a duty to report to a senior officer any unethical behaviour or wrong doing by any other public servant.

## ***7. Discrimination and Harassment***

Officers of the Authority should not harass or discriminate in work practices on the grounds of sex, marital status, pregnancy, age, race, colour, nationality, ethnic or national origin, physical or intellectual impairment, sexual preference, or religious or political conviction when dealing with their colleagues and members of the public. Such harassment or discrimination may constitute an offence under the Anti-Discrimination Act 1977.

Managers must make sure that the workplace is free from all forms of harassment and discrimination. They should understand and apply the principles of equal employment opportunity and ensure that the employees they supervise are informed of these principles. Managers should also take all necessary steps, such as training and other active measures, to prevent and deal with harassment and discrimination in their work area.

## ***8. Fairness and Equity***

Issues or cases being considered by Authority staff should be dealt with consistently, promptly and fairly. This involves dealing with matters in accordance with approved procedures.

Some Authority staff have discretionary powers in dealing with certain matters. These staff must exercise their discretion in a fair and equitable manner to ensure that decisions are made taking into account all of the circumstances.

## ***9. Public Comment and Media***

The Authority has in place a policy that any comments to, or inquiries from, the media are to be directed to the Chief Executive Officer or in his absence the General Manager, who will either respond directly to any such inquiries or alternatively issue specific delegation and direction on the matter at hand.

In general terms all staff should ensure that any comments made outside the office are confined to matters of public knowledge or are clearly expressed as personal opinion, but which in no way relate or comment directly on individual clients or matters or office policies or any other matters which are clearly of a confidential nature.

Apart from the above matters, staff should only speak on a matter or disclose documents in a matter when they are legally bound to do so.

Comments made on matters pertaining to union business by members of unions in their capacity as a local delegate within the Authority, or by union office holders employed by the Authority, are permissible.

### 10. Confidentiality

Some of the information that Authority staff have access to is regarded as confidential and should not be disclosed to a third party without the permission of the Authority. Examples of information regarded as confidential are:

- client information, including financial statements
- leave records
- salaries information
- ministerial papers
- personal files

The above list highlights that confidentiality of information is expected and respected by all Authority staff. Confidentiality of information extends beyond cessation of employment and confidential information gained in the course of employment must not be released without the Authority's approval.

Personal information is protected under the Authority's Privacy Management Plan developed in accordance with the Privacy and Personal Information Protection Act 1998. Staff, and all persons engaged by the Authority, must not use or disclose personal information, that is, any information that relates to an identifiable person, without clear authority for legitimate purposes.

Information Protection Principles cover matters such as storage, use and disclosure of personal information including rights of access and correction.

### 11. Records

In undertaking their duties, staff are expected to conform with the Authority's Records Management Policy and the State Records Act 1998.

### 12. Use of Official Equipment and Facilities

Staff should exhibit all reasonable care and discretion in their use and handling of equipment and should be mindful of their role as custodian of this equipment.

Staff should observe all the normal guidelines in use and mode of operation of equipment to enhance and preserve its operational life. Staff should also acknowledge the ownership and proprietary rights of all materials used in conjunction with the running of the Authority and that all such material should be used specifically only for work related purposes.

### 13. Outside Employment

Staff of the Authority should be aware that outside employment should only be undertaken after having obtained official approval from the Chief Executive Officer.

Staff should always be aware that they must never place themselves in a situation where there could be a conflict of interest between their work and the Authority and any outside employment.

Officers of the Authority have an obligation to serve the Government of the day in a politically neutral manner and should therefore ensure that any political participation does not bring them into conflict with their obligation as a Public Servant or their obligation to serve the Government properly.

Any officer confronting such a situation should immediately contact their manager so that the matter can be resolved satisfactorily.

### 14. Post Separation Employment

Former officers of the Authority should ensure that they do not accept employment or engage in activities which may cast doubts on their own integrity or that of the organisation in which they were previously employed or of the Public Service generally.

### 15. Reporting Corrupt Conduct, Maladministration and Serious and Substantial Waste of Public Resources

Officers of the Authority are urged to report suspected corrupt conduct, as well as maladministration and serious and substantial waste of public resources. The Protected Disclosures Act 1994 provides certain

protections against reprisals for employees who voluntarily report such matters either to the Chief Executive Officer, or to one of the three investigative bodies: the ICAC, the Auditor General or the Ombudsman.

The Authority has developed procedures for the purposes of the Protected Disclosures Act 1994. In the first instance the Authority's existing Grievance Procedures should be utilised as the basis for internal reporting for protected disclosures. Protected disclosure may also be made directly to ICAC, the Auditor General or the NSW Ombudsman. Under circumstances specified in the Act, protected disclosure may be made to a Member of Parliament or a journalist.

Protection is not available for disclosures which are frivolous or vexatious, primarily question the merits of government policy or are made in an attempt to avoid dismissal or disciplinary action.

Under Section 11 of the Independent Commission Against Corruption Act 1988, the Chief Executive must report corrupt conduct to the Independent Commission Against Corruption (ICAC). Corrupt conduct includes any dishonest or improper use of position by a public official and specifically includes misuse of information or material acquired in the course of official duties.

### 16. Guarantee of Service

The NSW Rural Assistance Authority is determined to excel in the area of customer service. The Authority is committed to improving the quality of services provided to its customers and clients. All staff are to take responsibility for ensuring a high level of customer service and satisfaction.

### 17. Political and Community Participation

Employees must make sure that any participation in party political activities does not conflict with their primary duty as a public employee to serve the Government of the day in a politically neutral manner.

This is important because of the need to maintain Ministerial and public confidence in the impartiality of the actions taken and advice given by public employees. What is considered appropriate in any particular case will depend on the nature of the issue, the position held by the employee, the extent of the employee's participation, and their public prominence.

If employees become aware that a potential conflict of interest has arisen or might arise, they should inform the Chief Executive Officer immediately and they may have to stop the political activity or withdraw from the areas of their work where the conflict is occurring.

Within the context of the requirements of this Code, employees are free to fully participate as volunteers in community organisations and charities, and in professional associations.

### 18. Relevant Legislation

Legislation relevant to the NSW Rural Assistance Authority is as follows:

- *Anti-Discrimination Act 1977*
- *Crimes Act 1900*
- *Evidence Act 1995*
- *Farm Debt Mediation Act 1994*
- *Freedom of Information Act 1989*
- *Independent Commission Against Corruption Act 1988*
- *Industrial Relations Act 1996*
- *Limitation Act 1969*
- *Occupational Health and Safety Act 2000*
- *Ombudsman Act 1974*
- *Privacy and Personal Information Protection Act 1998*
- *Protected Disclosures Act 1994*
- *Public Finance and Audit Act 1983*
- *Public Sector Employment and Management Act 2002*
- *Rural Adjustment Act 1992*
- *Rural Assistance Act 1989*
- *State Records Act 1998*



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## ABBREVIATIONS

EAPS	Ethnic Affairs Priorities Statement
EC	Exceptional Circumstances
ECIRS	Exceptional Circumstances Interest Rate Subsidy
EEO	Equal Employment Opportunity
FOI	Freedom of information
LGA	Local Government Area
NDRA	Natural Disaster Relief Assistance
PWPD	People with a physical disability





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