

Annual Report for the Year Ending 30 June 2004

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The Hon. Ian Macdonald, MLC
Minister for Primary Industries
Level 30 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Mr Macdonald

We take pleasure in presenting, on behalf of the Members of the Board appointed in terms of Division 3 Section 9 of the Rural Assistance Act 1989, the Annual Report for the New South Wales Rural Assistance Authority, for the year ending 30 June 2004. This report is offered for your information and presentation to Parliament.

In furnishing this report the requirements of the Annual Reports (Statutory Bodies) Act 1984 and Division 3, Section 10 of the Rural Assistance Act 1989 have been taken into consideration.

Yours sincerely



FRAN ROWE
CHAIRPERSON



R F SHELDRAKE
CHIEF EXECUTIVE

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CHARTER

The New South Wales Rural Assistance Authority is a Schedule 1 Department, under the Public Sector Employment Management Act 2002 and was constituted pursuant to the Rural Assistance Act 1989.

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 its core client, the Authority is also responsible for small businesses which have suffered loss or damage due to natural disaster.

OUR VISION

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

OUR 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.

GUARANTEE OF SERVICE

The New South Wales Rural Assistance Authority is determined to excel in the area of customer service.

We are committed to improving the quality of service we offer. We will keep in touch with what is expected and, within the legal and policy guidelines covering assistance, we will aim to exceed expectations.

All our staff take personal responsibility for ensuring a high level of service and satisfaction.

Full Guarantee of Service is reproduced in Appendix 1.

A BRIEF HISTORY OF THE RURAL ASSISTANCE AUTHORITY

The Rural Assistance Authority began in 1932 with the setting up of the Farmers Relief Board under the Farmers Relief Act of that year. The main function of the Board was to prevent creditors taking action against farmer's debts, by means of Stay Orders. When such Orders were issued the Board would appoint a supervisor to administer the farmer's affairs and also had the power to provide carry-on finance to farmers.

The Farmers Relief Board was renamed the Rural Reconstruction Board following the introduction of the Rural Reconstruction Act 1939. This was to eliminate the impression of 'relief' with its charitable connotations. Under the Rural Assistance Act 1971 the Board again changed its name to the Rural Assistance Board.

The Rural Assistance Board assumed principal responsibility for administration in NSW of Commonwealth Rural Assistance Schemes and from 1976 the Rural Adjustment Scheme. Whilst the Rural Assistance Board was an independent authority, the Rural/State Bank acted as its agent.

Also in 1932 the Rural Bank Act established a Government Agency Department within the Rural/State Bank to administer a number of government agencies. The Rural Bank (Agency) Act 1934 transferred the Farmers Relief Agency and Rural Industries Agency to the Government Agencies Department of the Rural Bank.

In 1989 the Rural Assistance Act was passed to amalgamate the activities of the Rural Assistance Agency and the Rural Industries Agency creating the Rural Assistance Authority as an autonomous body within the NSW Public Service.

In February 1997 the Authority relocated to Orange in the Central West of the State.

Chairperson's Report

It was a delight to see rain fall in some areas of New South Wales during May and June 2004. Unfortunately, drought continues to be the major issue currently facing primary producers with 93.5% of the state remaining in Exceptional Circumstances (EC) at the close of the financial year. It is therefore not surprising that the majority of assistance administered by the Authority, throughout 2003/04, has been provided to those farmers in designated EC areas.

Primary producers, in EC areas, are eligible to apply for fortnightly relief payments through Centrelink and Interest Rate Subsidies through the N.S.W. Rural Assistance Authority (Authority). In order to access relief payments producers must first apply to the Authority for an Exceptional Circumstance Certificate. During the year, the Authority issued 6048 Certificates to eligible primary producers and processed 3493 Interest Rate applications, approving 2685 claims to a value of \$52.50M.

The Authority responded in the year under review through the Natural Disaster Relief Scheme to primary producers and small businesses affected by bushfire, flood and storm damage. Applications for Disaster Relief advances totalled 116 during the financial year with 54 applications approved at a value of \$3.96M.

The Authority has administered the Commonwealth-State funded FarmBis program for the past six years. Applications approved under the FarmBis program for the 2003/04 year amounted to \$4.24M. This funding enabled 1165 primary producers and land managers to participate in courses aimed at improving their skills. Negotiations are presently being conducted between the state of New South Wales and the Australian Government for the Authority to administer a future FarmBis program.

The Irrigated Agriculture Water Use Efficiency Incentive Scheme was established to assist this State's irrigators to adopt best irrigation management practices, increase on farm water use efficiency

and encourage better use of the State's resources. This state funded scheme finalised on 30 June 2004 with all funds fully utilised. The Special Conservation Scheme, an incentive based state funded scheme continues to assist primary producers to improve land management practices within the state of New South Wales. Applications received by the Authority during the year totalled 517 with 340 applications approved for a value of \$16.50M.

The Authority Board continues to benefit from the knowledge and skills of committed and enthusiastic members. I take this opportunity to thank all board members for their contribution to the board effectiveness during 2003/04. On 1 July 2003, the Minister for Primary Industries, the Hon. Ian Macdonald, MLC appointed Ms. Janelle Saffin and Mr. Robert Gledhill to the Authority Board. Board discussions and decisions have benefited from the knowledge and skills of these new board members. Conversely, Mr. Barry Buffier resigned his Board membership on 30 June 2004 to take up the position of Director General, NSW Department of Primary Industries. Barry has given generously of his time and expertise to board matters since 1984. Board members will sorely miss his experience. We wish him well in his new, challenging position.

Administration of rural assistance has continued to be efficiently and effectively delivered throughout 2003/04 by dedicated Authority staff. On behalf of all board members, I express our appreciation and admiration to all Authority staff for their ongoing commitment to rural industries in the state of New South Wales.



Fran Rowe
Chairperson

Farm Debt Mediation Act

The object of the Farm Debt Mediation Act is 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.

Activities for the period under review have again remained low with the number of new cases again down. The year saw 56 new cases commenced. This figure is pleasing considering the impact of the current drought.

The right of appeal granted to farmers, creditors and mediators, by the amendments to the Farm Debt Mediation Act came into effect on 3 January 2003, and resulted in three appeals being lodged by farmers. This right is presently under challenge from the National Competition Council with legislation presently before parliament to remove it from the Act.

Since the commencement of the Act in February 1995 the Authority has issued a total of 1,790 mediation kits in relation to new cases commenced. Since 30 June 2004, 959 mediations have been completed under the legislation with the parties reaching agreement in 846 cases or an agreement rate of 88%. A total of 1,587 cases have been finalised and the Section 11 certificates issued.



Our Core Business

To enhance the economic sustainability of rural New South Wales through the following assistance measures:

- **FarmBis**
- **Disaster Relief Scheme**
- **Rural Adjustment Scheme (RAS)**
- **Rural Partnership Programs:**
- **MIA PowerPACT**
- **West 2000 Plus**
- **Special Conservation Scheme**
- **Water Reform Package**
- **Ovine Johne's Disease**
- **Namoi Groundwater Structural Adjustment Program (NGSAP)**

OBJECTIVE 1

New South Wales farmers, agricultural industries and wildcatch fishers adopting a process of continuing education in areas such as:

improved business and risk management enhanced efficiencies natural resource management which will influence positive change in rural and fishing industries, enable the development of rural and fishing communities and the sustainable development of natural resources.

FarmBis

FarmBis promotes a positive approach to change and builds on the farm and fishing sector's culture of continuous improvement to increase productivity, profitability and sustainability of businesses by enhancing farm and fishing business management skills.

1372 applications were received with \$4,235,690 in assistance approved. Greater detail is available in the Statistical Reports.

Assistance is provided in the form of direct financial contribution towards the cost of participation in approved training activities, which will enhance farmers and fishers business management skills, including:

- human resource management
- financial management
- general business management
- marketing
- production management
- natural resource management

FarmBis in New South Wales has 182 registered training providers and 1,162 registered training activities.

FarmBis subsidises up to 50% of the fixed costs of eligible activities. The fixed costs include professional fees, training materials and manuals. Training participants may also apply for their own travel and accommodation costs to be subsidised at a rate of up to 50%. Training Providers' variable costs, which may include travel, accommodation and meals, catering, and equipment/venue hire, are subsidised at a rate of up to 100%.

Financial assistance for each eligible farm or fishing enterprise is limited to \$2,000 for each training activity. For this purpose, an eligible enterprise is defined as a farming or fishing operation from which the owners of the business derive the majority of their gross income and/or contribute the majority of their labour to the business enterprise. A business which operates multiple entities is considered to be one enterprise.

A provider of services to a farming or fishing business is not eligible to receive FarmBis assistance.

The FarmBis program is subject to significant performance evaluation as part of the agreement between the Commonwealth and State Governments. This includes the formation of a State Planning Group, which is responsible for undertaking a consultation process, developing a communication strategy and developing training priorities, performance targets and strategies. The State Planning Group is required to report to the Commonwealth against the identified priorities, targets and strategies.

Priority targets identified by the State Planning Group include participant groups of Women, Indigenous, Fishers and people of Non-English Speaking Background and training categories of Natural Resource Management and General Business Management.

Funding under FarmBis was exhausted in September 2003. Limited funds, available from the communications pool, were allocated towards the target groups of Women, Fishers and Indigenous.

The current scheme closed on 30 June 2004.

OBJECTIVE 2

To ensure that New South Wales farmers, agricultural industries and the general public are aware of and have access to the assistance available when dealing with extreme events.

Disaster Relief Scheme

The purpose of this Scheme is to provide loan funds to farmers and small businesses to allow them to continue their normal farming/business operations following a natural disaster.

A total of 116 applications were received with \$3,957,823 in assistance being approved. Greater detail is available in the Statistical Reports.

Assistance is by way of a concessional, fixed interest rate, loan with the current interest rate of 2.5%.

Loans are limited to the minimum amount required to cover normal farming/business activities, replace losses and make repairs not covered by insurance, to a maximum of \$130,000. The maximum repayment term is 10 years with an initial interest and repayment free period of two years.

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

The Authority assisted applicants who were affected by natural disasters eg; bushfires, hail storms, wind storms and floods. In general, emergency relief is provided by other organisations whilst longer-term business support is provided through the Disaster Relief Scheme.

The Authority continues to strive to provide assistance in a timely manner.

OBJECTIVE 3

New South Wales farmers and agricultural industries increasing their ability to resist and overcome financial challenges.

Rural Adjustment Scheme (RAS)

Exceptional Circumstances

New South Wales farmers and agricultural industries increase their ability to resist and overcome financial challenges.

From time to time special assistance is provided under the Exceptional Circumstances provisions of the Rural Adjustment Scheme. Assistance is available to eligible farmers to assist them to overcome difficulties due to either industry downturns or their location in areas suffering the effects of specific exceptional circumstances. Activation of assistance under Exceptional Circumstances requires specific approval by the Commonwealth Government.

The purpose of this Scheme is to assist farmers with long-term prospects in specific industries or regions suffering from the effects of exceptional circumstances to obtain carry-on finance, restructure debt and to implement productivity improvements through the provision of interest subsidies.

Assistance is provided by way of an interest subsidy grant to a maximum of 50% of the interest payable on, and associated costs of, either existing or new farm related loans. The amount of the subsidy can be up to \$100,000 per year and the assistance can be available for a period of up to two years, to approved applicants.

The 2003-2004 financial year has been extremely busy with the impact of the worst drought in most of New South Wales in 100 years. A total of 3493 applications were received with \$52,506,461 in assistance being approved. Greater detail is available in the Statistical Reports.

Rural Partnership Programs

MIA PowerPACT

MIA PowerPACT is a joint initiative for business management enhancement and structural adjustment programs for primary producers in the Murrumbidgee Irrigation Area (MIA). The aim is to develop self-reliant, market oriented and prosperous rural enterprises, within the MIA.

A total of 216 applications were received with \$939,806 in assistance being approved. Greater detail is available in the Statistical Reports.

Assistance is provided towards the cost of programs and training activities which enhance management skills, property re-development, or, in some cases, aid a family to re-establish outside the farming enterprise. Programs include:

Business Plan Grant

The MIA PowerPACT Business Plan assistance is a way for farmers to examine the strengths and weaknesses of the farming enterprise. The aim is to foster a business approach which will enable the rural enterprise to reach its full potential.

Grants available for business plans are 90% of the cost of the plan up to a maximum of \$2,700.

Benchmarking Grant

Benchmarking looks at the performance of farms in terms of their profitability and performance. It aims to help identify areas for improvement in the business to obtain better returns.

Grants available for benchmarking are 80% of the cost of benchmarking up to a maximum of \$400 a year for two years.

Re-development and New Technologies Grant

The MIA PowerPACT Redevelopment assistance aims to stimulate the farming enterprise in the adoption of modern production and harvesting techniques to improve productivity.

Assistance was available to 25% of the cost of agreed re-development to a maximum of \$15,000. Funds for this component of the scheme are fully committed.

Property Purchase Grant

The MIA PowerPACT Property Purchase assistance is a special grant available for the purchase of additional land to create a farm of a size which will enhance productivity and viability in the long term.

These grants were up to \$20,000 a year for two years based on 50% of the finance costs of the property purchase. Funds for this component of the scheme have been fully committed.

West 2000 Plus

The aim of this grant is to improve the profitability and viability of Western Division properties.

A total of 19 applications were received with \$235,485 in assistance being approved. Greater detail is available in the Statistical Reports.

Property Build Up Grant

The grant achieves its aim to improve the profitability and viability of Western Division properties by providing financial support to assist Western Division landholders increase their property size.

The grant covered up to 80% of the interest payable each year on commercial loans taken out to fund the property purchase, to a maximum of \$100,000 over a period of up to five years. The limit of \$100,000 includes funds accessed for property build up under the previous WEST 2000 assistance scheme.

Only one property build up grant is available from WEST 2000 Plus per farm business enterprise. Funds for this component of the scheme have been fully committed.

Debt Restructuring Grant

The grant achieves its aim to improve the profitability and viability of Western Division properties by providing support to assist landholders restructure their debts. The grant can subsidise up to 80% of the one-off costs associated with debt and capital restructuring to a maximum of \$5,000. The \$5,000 limit includes any funds accessed for debt restructuring under WEST 2000. Only one grant is available per farm business enterprise.

OBJECTIVE 4

New South Wales farmers and agricultural industries utilising improved natural resource management techniques.

Special Conservation Scheme

The Special Conservation Scheme is an Incentive based scheme aimed at promoting improved land management practices in NSW including:

- soil conservation (including woody weed control)
- stock and domestic water supply
- upgrading, of existing irrigation systems
- cap and piping of artesian bores
- tile drainage
- serrated tussock control
- livestock effluent control
- flying fox exclusion netting
- desilting of dams
- planting of perennial species
- construction of silos and haysheds for livestock fodder

A total of 517 applications were received with \$16,508,616 in assistance being approved. Greater detail is available in the Statistical Reports.

Assistance is in the form of a fixed interest rate loan at concessional rates. The rate applied is equivalent to 75% of the NSW Treasury Corporation 10 year Bond Rate at date of approval of the loan. The current Special Conservation Scheme interest rate as at 30 June 2004 is 5% pa.

The loan amount may not be more than \$100,000 and is limited to a maximum of 90% of the GST exclusive cost of any proposed works. A maximum repayment term of 10 years is available.

The Authority is responsible for administering this program in accordance with the policy set by the NSW Government and does so in an efficient manner maintaining its budget as determined in conjunction with the Authority Board and NSW Treasury. This scheme is seen as an effective means

of improving the resource base on farms and this is demonstrated by existing creditors allowing the Authority to take security that ranks ahead of their security.

Water Reform Structural Adjustment Program (WRSAP)

Irrigated Agriculture Water-Use Efficiency Incentive Scheme

The Irrigated Agriculture Water-Use Efficiency Incentive Scheme is aimed at helping irrigators to plan, adopt and monitor best irrigation practices and water-efficient technologies to facilitate a more sustainable and viable irrigated agriculture sector within NSW. A total of 975 applications were received with \$5,446,675 in assistance approved. Full detail is available in the Statistical Reports.

Assistance is in the form of a grant to offset the costs associated with planning, undertaking and monitoring improved irrigation and drainage management. The conditions of the scheme were enhanced in December 2001 with three kinds of support available to irrigators.

Irrigation and Drainage Management Plan Grant

The Irrigation and Drainage Management Plan grant is aimed at enabling irrigators to develop an irrigation and drainage management plan (IDMP) that identifies the works and practices which will improve irrigation management and water use efficiency for an irrigated enterprise.

The grant assistance offered is 80% of the cost of an IDMP up to a maximum of \$12,000, per enterprise.

Water Use Efficiency Works Grant

The Water Use Efficiency Works grant is available to enable irrigators to carry out works associated with the measure of comparing the volume of water used for productive growth with the amount of water diverted, stored or distributed by the enterprise.

The grant assistance offered is 50% of the cost of the completed works, up to a maximum of \$15,000, as identified in an IDMP which achieves a significant gain in the efficiency of an irrigation system.

Crop Water Use Monitoring Grant

The Crop Water Use Monitoring grant is available to enable irrigators to purchase and install soil moisture monitoring equipment and to employ professional services to advise and assist with developing and implementing a crop water use monitoring program.

The grant assistance offered is 50% of the cost of the works and/or services up to a maximum of \$2,000.

Farm Irrigation Water Security Grant

The Farm Irrigation Water Security Grant is available to assist irrigators to construct off river storage works where they are within a gazetted Groundwater security plan on an unregulated river. The grant assistance offered is 50% of the cost of the works up to a maximum of \$15000.

The Irrigated Agriculture Water-Use Efficiency Incentive scheme ceased on 30 June 2004 and funds are fully committed.

The Authority has responsibility for administering this scheme in accordance with policy set by the NSW Government, on advice primarily by NSW Agriculture. This scheme has generated substantial interest and demand for funds has greatly increased as irrigators implement the measures required to improve their efficient use of water.

Ovine Johne's Disease - Grant Assistance (OJD)

The Ovine Johne's Disease assistance is available to owners of OJD Infected flocks In New South Wales. The overall objective is to eradicate this debilitating disease with the input from various government departments and other organisations. Funds are available to develop business plans and disease management plans as well as for the implementation of OJD management strategies.

A total of 57 applications were received with \$104,230 in assistance being approved. Greater detail is available in the Statistical Reports.

Financial assistance in the form of a grant up to a maximum of \$1,000 for the development of a Business Plan and/or Property Disease Management Program (PDMP) is available, as well as a grant up

to a maximum of \$25,000 based on \$5 per adult sheep for the implementation of OJD management strategies outlined in a veterinarian endorsed PDMP.

Assistance is limited to funds collected through the OJD levy. Available funds have been fully committed and the Scheme is now closed.

The Authority has responsibility for, administering this scheme in accordance with policy set by the NSW Government, on advice primarily by the OJD Industry Advisory Committee. The demand for assistance has been very strong.

Namoi Groundwater Users Structural Adjustment Program (NGSAP)

The Namoi Groundwater Users program is available to assist with structural adjustment for Namoi groundwater users. The overall objective is to assist licence holders to manage the impact of the changes in access to groundwater, which result in a reduction of their 'real' water access. Financial assistance is available to licence holders to adjust to changes in groundwater access over the ten years of the Water Sharing Plan and the amount of the structural adjustment money paid to irrigators is linked to the changes in access to groundwater.

A total of 20 applications were received with \$1,007,183 in assistance being approved. Additional detail is available in the Statistical Reports.

Financial assistance, in the form of grants, is available to high-level water users to allow them to undertake the following adjustment programs:

- farm investment plans (to a maximum of \$5,000)
- water use efficiency investments (made after 1 July 1998)
- on-farm business diversification, such as into dry land primary production

The Authority had the responsibility for administering this scheme in accordance with the policy set by the NSW Government and based on information provided by the Department of Infrastructure Planning and Natural Resources.

The Department of Infrastructure Planning and Natural Resources resumed the administration of the Scheme on 28 June 2004.

Legislative Changes

Acts administered by the Authority:

Rural Assistance Act 1989

Farm Debt Mediation Act 1994

Significant changes were implemented to the Farm Debt Mediation Act 1994, on 03 January 2003. There were no other changes in State Acts, subordinate legislation or significant judicial decisions which affected the Authority or its clients during the year.

The Authority is also responsible for the administration of Commonwealth funded assistance measures. By agreement with the Commonwealth, the Authority is affected by the relevant Commonwealth legislation.

Assistance measures available to farmers under the Commonwealth Rural Adjustment Act 1992, ceased on 30 June 1998, with the exception of assistance under the Exceptional Circumstances provisions of that legislation.

Promotional Activities

As a New South Wales Government Department, administering a wide range of assistance measures to the rural sector, the Authority has a responsibility to inform NSW farmers and small business operators and their advisers, of the financial assistance available to them. In order to meet this responsibility the Authority produces a range of information bulletins and brochures describing the schemes of assistance and attends a wide variety of promotional events.

The Authority has a close working relationship with the Rural Counselling services throughout New South Wales and assists with presentations and workshops to support the dissemination of information on the availability of financial assistance to clients.

The Indigenous Liaison Officer has continued to promote training, through the FarmBis scheme, in the aboriginal community.

During the year the staff were involved in a diverse range of promotional activities. They have travelled across all regions of the state and participated in more than 85 meetings designed to assist farmers

to manage the financial effects of the drought. They have also participated in field days and meetings of special interest groups.

The Authority's web site provides all current news, publications, guidelines and applications for all assistance measures administered. It can be visited at www.raa.nsw.gov.au.

Publications

Annual Report 2002-2003

Appeal Review Process

Exceptional Circumstances Assistance Application Form

Exceptional Circumstances Assistance Information Bulletin

Exceptional Circumstances Assistance Lenders Certificate

Exceptional Circumstances Assistance Schedule 1 FarmBis Application Form

FarmBis Evaluation Form

FarmBis Local Coordinator Registration

FarmBis Training Activity Registration

FarmBis Training Provider Registration

Farm Debt Mediation Brochure

Farm Debt Mediation Kit

Natural Disaster Relief Scheme - Primary Producers Application Form

Natural Disaster Relief Scheme - Primary Producers Information Brochure

Natural Disaster Relief Scheme - Small Business Application Form

Natural Disaster Relief Scheme - Small Business Information Brochure

Ovine Johne's Disease Application for Financial Assistance

Summary of Schemes of Assistance

Special Conservation Scheme Application Form

Special Conservation Scheme Information Brochure

Special Conservation Scheme Interim Application Form

Water Use Efficiency Incentive Scheme Irrigation and Drainage Management Plan Grant Application Form

West 2000 Plus Debt Restructuring Grant Application Form

Composition of the Board

In terms of Clauses 9-14 of the Rural Assistance Act 1989 the activities of the Authority are overseen by a Board which has the function of determining policies of the Authority and ensuring the various activities are carried out properly and efficiently. The Board consists of six part time members and the Chief Executive Officer.

The part time members consist of four members with relevant qualifications and experience, and two members appointed to represent farmers.

The four part time Board Members with relevant qualifications and experience are:

Mrs Fran Rowe (B Econs Dip Ed) is Chairman of the Board and a primary producer of grain and sheep at Tottenham. She is a Rural Financial Counsellor with the Lachlan Advisory Group of Condobolin and is Chairman of the New South Wales FarmBis State Planning Group. Previous service to agriculture includes Co Chair of the NSW Rural Womens Network and six years as a member of the Rural Adjustment Scheme Advisory Council. Mrs Rowe was re-appointed to the Board on 1 July 2003, for a further period of three years.

Mr Barry Buffier (B Rur Sc Hons M Econ) is an Agribusiness Consultant, a Non-Executive Director of Ricegrowers' Cooperative Ltd and a Non Executive Director of Riviana Foods Pty Ltd. He is a Director of the Rural Industries Research and Development Corporation and a member of the National Rural Advisory Council. Mr Buffier was previously Manager Agribusiness, Westpac Banking Corporation and Deputy Director General of NSW Agriculture. Mr Buffier resigned from the Board 19 May 2004.

Meave Ramsay (BA Dip Ed) is a specialist in adult education and re-skilling the unemployed. She owns and operates a small mixed farming enterprise, in the Southern Tablelands. Ms Ramsay was re-appointed to the Board on 1 July 2003, for a further period of three years.

Janelle Saffin (B.LegS Dip Ed) is a lawyer and educator with a special interest in community development, human rights, general issues pertaining to women and children and access to services for rural and regional people. Ms Saffin was appointed to the Board on 1 July 2003, for a period of three years.

The two part-time Board Members appointed to represent farmers are:

Mr Robert Gledhill is a lifelong farmer in the Boorowa area and has held the position of Mayor of Boorowa for the past twelve years. He is Chairman of the Lachlan Catchment Management Authority and a member of the executive of the Shire's Association. Mr Gledhill was appointed to the Board on 1 July 2003 for a period of three years.

Mr Mal Peters is President of the NSW Farmers' Association and a Director of the National Farmers' Federation. He has served as chairman of Farmsafe NSW, Primary Industry Training Board, Rural Affairs Committee, and Insurance Review Committee. Mr Peters was re-appointed to the Board on 1 July 2003, for a further period of three years.

The full-time Chief Executive of the Authority 2003-2004 is:

Dr Richard Sheldrake is the Chief Executive of the NSW Rural Assistance Authority and, at 30 June 2004, was Director-General of NSW Agriculture. He is now Deputy Director-General Agriculture and Fisheries of the new NSW Department of Primary Industries. He is Co-Chairman of the Rural Women's Network State Advisory Council and Chairman of the Farrer Memorial Trust. He is also a Commissioner of the Murray-Darling Basin Commission and a member of many organisations in the agricultural industry. Dr Sheldrake was appointed Chief Executive in July 2002 and re-appointed to the Board on 1 July 2003, for a further period of three years.

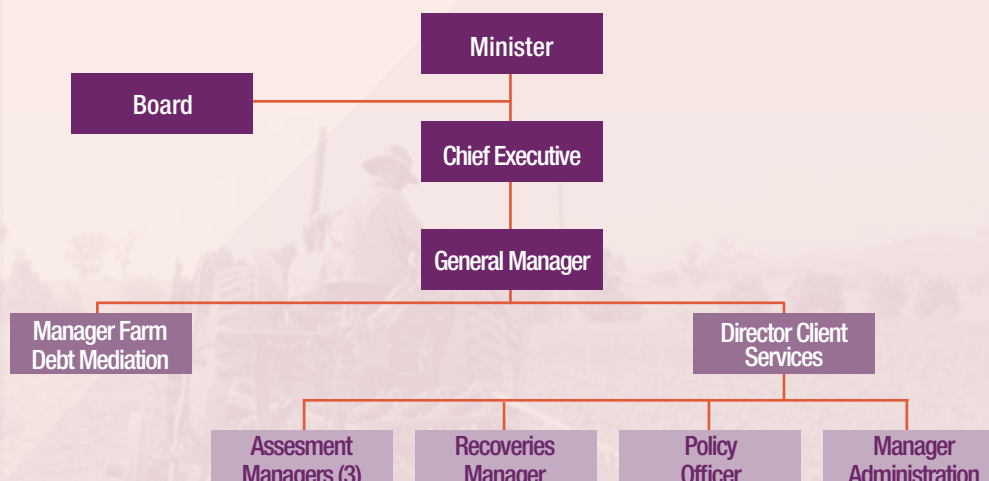
During 2003/2004 the Board of the Authority held meetings as follows:

18 August 2003	NSW Agriculture – Sydney Office
24 November 2003	NSW Agriculture – Sydney Office
12 February 2004	NSW Agriculture – Sydney Office
12 May 2004	NSW Agriculture – Orange Office



BOARD MEMBER	MEETINGS ELIGIBLE TO ATTEND	MEETINGS ATTENDED
Buffier B	4	3
Gledhill R	4	3
Peters M	4	4
Ramsay M	4	4
Rowe F	4	4
Saffin J	4	3
Sheldrake R	4	3

NSW RURAL ASSISTANCE AUTHORITY ORGANISATIONAL CHART



DETAILS OF EXECUTIVE / SENIOR OFFICERS

Dr Richard Sheldrake

M Sc Agr, PhD, FASM FAICD

Chief Executive

Dr Sheldrake was appointed Chief Executive of the Authority in 2002 and up until 30 June 2004 was the Director-General of NSW Agriculture. He is currently Deputy Director-General Agriculture and Fisheries within the new NSW Department of Primary Industries.

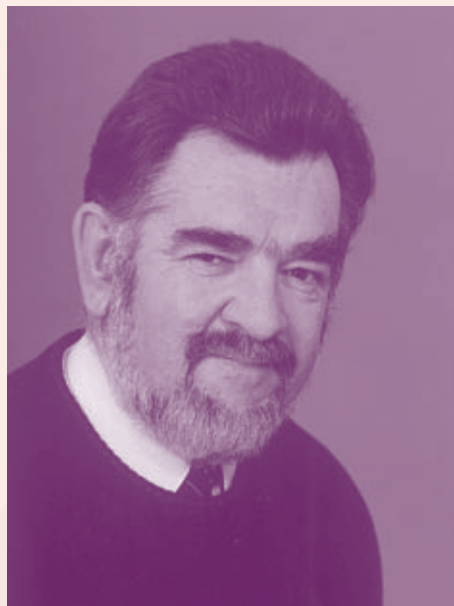


Mr Stephen J Griffith

B Ag Ec (Honours), MPP

General Manager

Mr Griffith was appointed General Manager of the Authority in January 1996. He is responsible for the day-to-day operations of the Authority.



Mr John Newcombe

B Sc Agr (Sydney University)

Director Client Services

Mr Newcombe joined the Authority in February 1993. He previously worked for the National Australia Bank, primarily in the Rural Division and Rural Finance Team.



Committees Operating Within The NSW Rural Assistance Authority

Appeals Committee

Steve Griffith, General Manager

Plus two Senior Officers, from within the Authority, who were not directly involved in the original decision making process.

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

Occupational Health & Safety Committee

Chris Arrow Employee Representative,
Chairman

Bruce Glover Employee Representative

Terese Grant Employee Representative

Michael Pickett Employer Representative

Function: To monitor, review and make recommendations concerning occupational health and safety in the Authority.

Internal Audit Committee

Michael Pickett Chairman

Barry Buffier Board Representative

Paul Hingston Special Projects Manager, NSW
Agriculture

Function: To oversee the internal control, risk management and corruption prevention procedures for the Authority.

Joint Consultative Committee

Bruce Glover Chairman and Employee
Representative

Bill White Employee Representative

John Newcombe Employer Representative

Michael Pickett Employer Representative

Function: To consult on industrial matters affecting the Authority.

Finance Committee

Steve Griffith General Manager

John Newcombe Director Client Services

Michael Pickett Manager Administration

Function: To consult on financial matters affecting the Authority.

Corporate Services

Corporate Service functions for the Authority have been provided by NSW Agriculture as part of the Government's Corporate Services Reform. In the 2004/05 financial year, services will be provided by the NSW Department of Primary Industries and these services will continue to include Personnel, Payroll, Industrial Relations, Finance and Information Technology.

Computer systems currently used in NSW Agriculture, such as Aurion and SAP Financial Management System, are being used to provide services for the Authority.

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

Human Resources

Staff Education and Training

The Authority continued its program of staff training throughout 2003/04 with a view to improving organisational efficiency.

A number of staff enrolled in external business related courses in 2003/04 and the Authority has provided them with study time in accordance with policy.

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

Assessment of training requirements continued through consultation and needs analysis.

Staff Induction

Staff induction is provided utilising the Staff Induction Manual. Through induction, all new staff are advised of their conditions of employment, policies operating within the Authority and how and where to get advice and support when needed, particularly in the areas of Grievance Procedures, EEO and OH&S.

Industrial Relations

There were no significant industrial relations issues during the year.

Miscellaneous Reporting

Occupational Health and Safety

The Workplace OHS committee continued its role during 2003/04 and is working closely with management. Safety inspections were carried out during the year, with no major areas of concern being identified. All incidents reported have been reviewed by the committee to ensure procedures and policies are complied with.

Occupational Health and Safety procedures and policy form part of the induction program for Authority staff.

During the financial year, the Authority had two Workers' Compensation claims.

Freedom of Information

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

The Freedom of Information Act is administered, by the New South Wales Rural Assistance Authority, through FOI officers who have delegations to make determinations for access or amendments to records. The following statistical information relating to FOI applications received is provided:

FOI Requests

	Personal		Other		Total	
	02-03	03-04	02-03	03-04	02-03	03-04
New	1	1	1	0	2	1
Brought forward	0	0	0	0	0	0
Total to be processed	1	0	1	0	2	0
Completed	1	0	1	0	2	0
Transferred out	0	0	0	0	0	0
Withdrawn	0	0	0	0	0	0
Total Processed	1	0	1	0	2	0
Unfinished	0	1	0	0	0	1

What happened to completed requests

Results of FOI Request	Personal		Other	
	02-03	03-04	02-03	03-04
Granted in full	1	1	1	0
Granted in part	0	0	0	0
Refused	0	0	0	0
Deferred	0	0	0	0
Completed	1	0	1	0

Formal consultations

	Personal		Other	
	02-03	03-04	02-03	03-04
Number of requests requiring formal consultation	1	0	0	0

Costs and fees of requests processed

	Assessed costs		FOI fees received	
	02-03	03-04	02-03	03-04
All completed requests	-	-	\$45	\$30

Discounts allowed

	Personal		Other	
	02-03	03-04	02-03	03-04
Nil	\$15	-	-	-
Total	\$15	-	-	-

Days to Process

Elapsed time	Personal		Other	
	02-03	03-04	02-03	03-04
0-21 days	0	0	1	0
22-35 days	1	0	0	0
Over 35 days	0	1	0	0
Total	0	0	0	0

Processing time

Processing hours	Personal		Other	
	02-03	03-04	02-03	03-04
0-10 hours	1	1	1	0
Over 40 hours	0	0	0	0
Total	1	0	1	0

Reviews and appeals

	Personal		Other	
	02-03	03-04	02-03	03-04
	0	0	0	0

Protected Disclosures Act 1994

The Authority provides information on employees' rights under the Protected Disclosures Act by;

- circulating information on the Act.
- making freely available the Premier's Department brochure regarding the Act.
- utilises it's 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 have been no Protected Disclosures in 2003/04.

Office of the Ombudsman

The Authority did not receive any inquiries from the Ombudsman in 2003/04.

Credit Card Certification

The Authority has six credit card holders. The credit cards are managed in accordance with the Premier's memoranda and Treasurer's directions.

Business Continuity

Disaster recovery is provided by NSW Agriculture through services provided under the Corporate Services Service Level Agreement. With the provision of Information Technology Services by NSW Agriculture, the Authority forms part of that agency's Information Technology Disaster Recovery Plan.

The Authority is currently in the process of formulating a Business Continuity Plan in conjunction with the NSW Department of Primary Industries.

Energy Management Plan

The Authority is co-located with NSW Agriculture and as such forms part of the NSW Agriculture Energy Management Plan.

Electronic Service Delivery

As part of the NSW Government's commitment for all appropriate government services to be available electronically via the Internet, the Authority reports its progress in this area through the Electronic Service Delivery Reporting Framework.

The Authority has application forms and information brochures available on the internet at www.raa.nsw.gov.au.

Consumer Response

There have been no formal complaints relating to client services in 2003/2004. The mechanism for handling complaints from clients is detailed in the Guarantee of Service contained in the Appendix 1 of this Report.

Waste Reduction and Purchasing Policy

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

Waste Reduction:

1. The Authority makes extensive use of electronic medium which reduces the use of paper products.

2. Where possible, large documents are printed doubled sided.

Purchases:

1. The Authority has increased purchases of recycled toner cartridges by 40%.
2. Large envelopes are supplied using 75% recycled paper.
3. Advertising material is supplied using 20% recycled cardboard.
4. Business cards are supplied on 100% recycled cardboard.

Resource Recovery:

1. All used toner cartridges are returned to the relevant suppliers for recycling.
2. Approximately 80% of waste paper is sent for recycling.
3. All documents sent for certificated secure shredding are reprocessed.

Risk Management

The Authority, being classed as an "Inner Budget Sector Organisation", participates in the NSW Treasury's Managed Fund which is the State Government's self insurance scheme. The scheme is administered by the Government Insurance Office and includes 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. This is achieved utilising the resources available in the areas of Finance and Administration.

The main risk areas identified within the Authority are;

- workers' injury risk
- property damage
- equipment damage
- public liability exposure
- domestic travel

The 2003/04 Workers' Compensation Premium decreased by \$4,740, on the 2002/03 premium. In 2003/2004 two Workers' Compensation claims were received by the Authority.

General Insurance Premiums decreased by \$620 in 2003/04.

Safety Inspections

Workplace inspections, as required under the Occupational Health & Safety Act, were conducted by the OHS Committee on a regular basis during 2003/04.

Significant Improvements in Internal Control

- The Authority has put 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.
- Fraud Risk assessments
- Fraud Awareness and Code of Conduct training
- Investigating Fraud and Corruption Training
- Training of staff in key work areas
- Continuing reviews of Records procedures
- Ongoing OHS Awareness training
- Continuing involvement of the Internal Audit Committee

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 staff responsible for that particular function for implementation of recommended strategies where appropriate.



R F SHELDRAKE - CHIEF EXECUTIVE

Equal Employment Opportunity

Major EEO Outcomes in 2003/2004

- The Indigenous Liaison Officer initiative, under FarmBis, was continued during 2003/2004. The aim of the project is to provide a liaison between the Authority and the aboriginal community so that they are able to access assistance under the FarmBis scheme.
- An increase in women employed to 54% of the Authority's staff.
- Provision of opportunities to staff, including targeted groups, to act in higher positions, thereby enhancing experience and employment prospects for staff involved. These opportunities increased due to the need to increase staffing numbers involved in the provision of drought relief payments.

Major Planned EEO Outcomes for 2004/2005

- Introduction of Performance Management
- Continuation of the indigenous liaison officer under the FarmBis Scheme.
- Participation in the disability traineeship program.

Spokeswomen's program

The Authority continued its support for the Spokeswomen's Program in 2003/2004. One of several presentation and information days was The Spokeswomen's Information Day – "Managing and Thriving with Change." The event provided information about Australian and global work trends, nature and impact of work and life changes and the NSW Public Sector support services. The Spokeswomen's Annual Conference was held in May 2004 in Sydney and provided a diverse and interesting range of topics.

Flexible Working Arrangements

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

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.

Trends in the Representation of EEO Groups

EEO Group	Benchmark or Target	% of Total Staff			
		2001	2002	2003	2004
Women	50%			56%	53%
Aboriginal people and Torres Strait Islanders	2%			2%	3%
People whose first language was not English	20%			11%	12%
People with a disability	12%			2%	3%
People with a disability requiring work-related adjustment	7%				

Trends in the Distribution of EEO Groups

EEO Group	Benchmark or Target	Distribution Index			
		2001	2002	2003	2004
Women	100			n/a	n/a
Aboriginal people and Torres Strait Islanders	100			n/a	n/a
People whose first language was not English	100			n/a	n/a
People with a disability	100			n/a	n/a
People with a disability requiring work-related adjustment	100				

Ethnic Affairs Priority Statement (EAPS)

In preparing the Ethnic Affairs Priority Statement (EAPS), the nature and size of the Authority were considered and strategies developed are in line with those considerations.

Achievements to date are;

- identification of language skills available within the Authority
- identification of specific client ethnic groups in the Sydney Basin which will lead to provision of information in four specific languages
- client and staff awareness of interpreter services
- inclusion of EAPS in the recruitment process
- encouragement of a greater understanding with staff of the cultural needs of the Authority's client base

The Authority's Ethnic Affairs Priority statement is included in the appendices of this Report.

NSW Government Action Plan for Women

The Authority continued to contribute to support for women in New South Wales through the following ongoing initiatives:

- Provide financial support to the Women's Gathering in Rural NSW
- Provide financial support for career and personal development courses under the Shaping our Futures Together initiative

Disability Action Plan

The Authority is committed to maintaining and improving access to 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
- participation in retraining programs where people are not able to continue their preferred career due to a disability

Engagement and Use of Consultants

There were no consultants engaged in 2003/2004.

Reviews

The following reviews were performed for the Authority during 2003/04.

- Audit Reviews:
 - 7 Internal.
 - 2 External.

Code of Conduct

The New South Wales Rural Assistance Authority has revised its Code of Conduct in accordance with the Model Code of Conduct for NSW Public Agencies and the full Code is included in Appendix 2 of this Report.

Privacy Management Plan

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.



NUMBER OF EMPLOYEES					
CATEGORY	JUNE 2000	JUNE 2001	JUNE 2002	JUNE 2003	JUNE 2004
Chief and Senior Executive Services					
Level 1	1	1	1	1	1
Number filled by Women	0	0	0	0	0
Administrative & Clerical					
Assessment Staff	21	17	17	19	21
Legal	4	4	3	3	2
Finance, Administration & Other	13	13	18	18	16
TOTAL	39	35	39	41	40

REPRESENTATION OF EQUAL EMPLOYMENT OPPORTUNITY TARGET GROUPS WITHIN LEVELS

SALARY LEVEL	2002/03			2003/04		
	TOTAL STAFF	WOMEN	NESB (I)	TOTAL STAFF	WOMEN	NESB (I)
< \$30,146 (2)	Nil			Nil		
\$30,146-\$39,594 (3)	6	6	1	6	5	1
\$39,594-\$44,265	4	4	0	6	5	0
\$44,265-\$56,013	23	13	2	19	9	0
\$56,013-\$72,435	4	0	0	5	2	0
\$72,435-\$90,543	3	0	0	3	0	0
>\$90,543 (SES)	1	0	0	1	0	0
TOTAL	41	23	3	40	21	1

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

REPRESENTATION & RECRUITMENT OF ABORIGINAL EMPLOYEES AND EMPLOYEES WITH PHYSICAL DISABILITIES

	2002/03			2003/04		
	TOTAL STAFF	ABORIGINAL PEOPLE	PWPD*	TOTAL STAFF	ABORIGINAL PEOPLE	PWPD*
Total Employees	41	1	3	40	1	1
Recruited In the year	4	0	0	4	0	0

* People with a Physical Disability

Payment Performance Report

Aged analysis at the end of each quarter

Quarter	Current (ie within due date) \$	Less than 30 days overdue \$	Between 30 and 60 days overdue \$	Between 60 and 90 days overdue \$	More than 90 days overdue \$
September	1,121,714	60,953	2,055	617	2,356
December	609,872	61,525	144	18,398	47
March	1,090,780	24,228	0	0	0
June	603,570	3,946	0	0	0

Accounts paid on time within each quarter

Quarter	Total Accounts Paid on Time			Total Amount Paid \$
	Target %	Actual %	\$	
September	95	94.4	1,121,714	1,187,696
December	95	88.4	609,872	689,985
March	95	97.8	1,090,780	1,115,007
June	95	99.4	603,570	607,516

Commentary on Payment Performance

Percentages of payments paid on time were below the Authority's target percentage due to:

- Queries on invoices received.
- Some invoices received were for OJD certificates. Payment of these accounts is dependent upon Authority's client undertaking certain tasks to become eligible for assistance.

The terms of payment on suppliers are reviewed to ensure that sufficient and reasonable time is afforded the Authority for payment. All staff involved in the accounts payable process are reminded of the requirement for prompt payment of accounts.



APPLICATIONS FOR ASSISTANCE - SUMMARY POSITION 1/7/2003 TO 30/6/2004

TYPE OF SCHEME	PENDING @ 01/7/03	RECEIVED (NUMBER)	WITHDRAWN (NUMBER)	DECLINED (NUMBER)	APPROVED (NUMBER)	NET \$ APPROVED	PENDING @ 30/6/04
SPECIAL SCHEME							
Tile Drainage	1	1	0	1	1	43,200	0
Soil Conservation	7	12	7	4	7	238,286	1
Irrigation	17	93	17	16	71	5,385,047	6
Stock & Domestic Water	123	303	159	31	195	8,570,243	41
Serr.Tussock, Effl. Cntrl, Waste Water	0	9	1	2	4	119,840	2
Flying Fox Netting	1	2	1	1	1	90,000	0
Plant Perennial Species	2	12	4	4	3	109,671	3
De-Silting	26	23	23	3	21	558,132	2
Feed Storage	4	59	10	11	33	1,044,797	9
Fodder Greenhouses	3	3	2	0	4	349,400	0
Sub Total	184	517	224	73	340	16,508,616	64
NATURAL DISASTER RELIEF							
Bushfire	6	7	3	4	6	397,266	0
Flood	8	14	4	7	11	716,457	0
Storm (Other Seasonal)	19	95	14	48	36	2,832,100	16
Small Business	2	0	1	0	1	12,000	0
Sub Total	35	116	22	59	54	3,957,823	16
EXCEPTIONAL CIRCUMSTANCES							
Except. Circumstances Initial	282	2767	72	745	2101	40,549,001	131
Except. Circumstances Recovery	0	726	5	46	584	11,957,460	91
Sub Total	282	3493	77	791	2685	52,506,461	222
WEST 2000 PLUS							
Farm Build Up Interest Subsidy	4	3	1	3	3	204,640	0
Capital Restructure	2	16	1	4	12	30,845	1
Sub Total	6	19	2	7	15	235,485	1
MIA							
Redevelopment Grant	15	84	8	45	46	423,979	0
Benchmarking Grant	0	48	1	0	47	36,400	0
Business Plan	1	66	2	0	65	199,800	0
Property Purchase Grant	10	18	5	13	10	279,627	0
Sub Total	26	216	16	58	168	939,806	0
WATER REFORM							
I & D Management Plan	2	0	1	1	0	0	0
I & D Water Use	2	0	0	2	0	0	0
IDMP	104	424	7	223	298	2,215,678	0
IDMP Works	101	366	17	217	233	3,071,477	0
Monitoring	54	168	4	176	42	53,670	0
Water Security	2	17	2	8	9	105,850	0
Sub Total	265	975	31	627	582	5,446,675	0
OVINE JOHNE'S DISEASE							
Business Plan	24	30	4	44	5	2,900	1
Property Disease Mgmt Program	24	27	1	41	7	101,330	2
Loan Assistance	0	0	0	0	0	0	0
Sub Total	48	57	5	85	12	104,230	3
NAMOI GROUNDWATER							
Farm Investment Plan	0	0	0	0	0	0	0
Water Use Efficiency	1	20	2	1	9	1,007,183	9
On Farm Diversity	0	0	0	0	0	0	0
Water Licence	0	0	0	0	0	0	0
Sub Total	1	20	2	1	9	1,007,183	9
AAA FARMBIS**							
Group Training	1	833	465	90	729	3,627,906	0
Individual Training	8	539	2437	94	436	607,784	0
Sub Total	9	1372	2902	184	1165	4,235,690	0
GRAND TOTAL	856	6,785	3,281	1,885	5,030	84,941,969	315

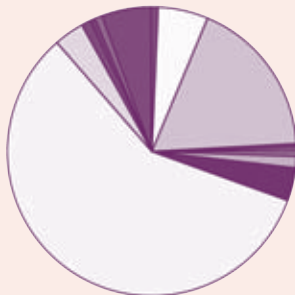
** FarmBis - includes 2859 accounts previously approved for \$3.164M, now withdrawn and 11 accounts \$73,450, now refused.

Application for Assistance - REASONS FOR REFUSAL 1/7/2003 TO 30/6/2004

TYPE OF ASSISTANCE APPLIED FOR										
Explanation of Refusal	SPECIAL SCHEME	NATURAL DISASTER RELIEF	EXCEPT. C'STANCES	W2000 Plus	MIA	WATER REFORM	OVINE JOHNE'S DISEASE	NAMOI G'WATER	AAA FARM-BIS	TOTAL NUMBERS
Majority of income off farm	21	5	102	0	0	5	0	0	0	133
No need for assistance	1	20	405	1	11	0	0	0	0	438
Commercial finance available	0	11	0	0	0	0	0	0	0	11
Refusal by other lenders	2	0	0	0	0	1	0	0	0	3
Not in working occupation	1	0	0	0	0	0	0	0	0	1
No prospects	0	2	20	0	0	0	0	0	0	22
Does not meet industry requirements	1	0	0	3	0	0	4	0	0	8
Debt level to high	0	1	0	0	0	0	0	0	0	1
Incomplete application	9	4	17	0	0	0	0	0	61	91
Other Assistance Granted	2	1	1	1	0	0	0	0	0	5
No Productivity Enhancements	0	0	0	1	0	0	0	0	0	1
Unacceptable security	2	5	0	0	0	0	0	0	0	7
Cropping > 50%	0	0	145	0	0	0	0	0	0	145
Not dryland livestock/dairy	0	0	29	0	0	0	0	0	0	29
Not broadacre livestock/cropping	0	0	5	0	0	0	0	0	0	5
Inability to service	11	10	0	0	0	0	0	0	0	21
Not of moderate means	16	0	0	0	0	0	0	0	0	16
Ineligible purpose/amount	1	0	0	0	0	0	0	0	0	1
Application out of time	4	0	0	0	0	0	0	0	0	4
Not sold non-essential assets	0	0	63	0	0	0	0	0	0	63
Productivity Based	2	0	0	0	0	0	0	0	0	2
No funding available	0	0	0	1	47	602	0	1	103	754
Scheme Closed	0	0	0	0	0	0	81	0	0	81
Works prior to 17 December	0	0	0	0	0	2	0	0	0	2
Not a farmer	0	0	0	0	0	12	0	0	0	12
Training not completed	0	0	0	0	0	1	0	0	0	1
Cap Exceeded	0	0	0	0	0	1	0	0	0	1
Training after service	0	0	0	0	0	2	0	0	0	2
Invoice prior to IDMP	0	0	0	0	0	1	0	0	0	1
Training Activity Not Registered	0	0	0	0	0	0	0	0	7	7
Below Minimum Group Size	0	0	0	0	0	0	0	0	2	2
Application Lodged After Training	0	0	0	0	0	0	0	0	11	11
Out of area	0	0	4	0	0	0	0	0	0	4
TOTAL NUMBER	73	59	791	7	58	627	85	1	184	1885

State Schemes

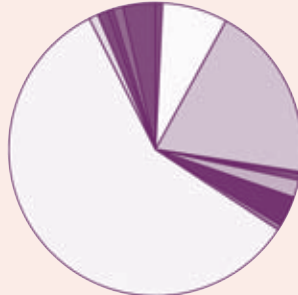
Total Applications by Type
July 2003 - June 2004



1 (0.1%) Tie Drainage
12 (0.7%) Soil Conservation
93 (5.5%) Irrigation
332 (19.7%) Stock & Domestic Water
9 (0.5%) San. Tuxsock, Eff. Out/Waste Water
32 (1.9%) Flying Fox
12 (0.7%) Plant Perennial Species
23 (1.4%) De-Silting
69 (4.1%) Feed Storage
3 (0.2%) Fodder Greenhouses
95 (5.7%) Water Reform
57 (3.4%) Ovine Johne's Disease
23 (1.2%) Natal Groundwater Subsidy
7 (0.4%) Bushfire
14 (0.8%) Road
95 (5.6%) Storm (Other Seasonal)
0 (0%) Small Business

Total No. Applications - 1685

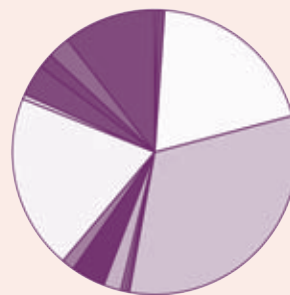
Total Approvals by Type
July 2003 - June 2004



1 (0.1%) Tie Drainage
7 (0.7%) Soil Conservation
71 (7.1%) Irrigation
195 (19.6%) Stock & Domestic Water
4 (0.4%) San. Tuxsock, Eff. Out/Waste Water
1 (0.1%) Flying Fox
3 (0.3%) Plant Perennial Species
21 (2.1%) De-Silting
33 (3.3%) Feed Storage
4 (0.4%) Fodder Greenhouses
582 (58.4%) Water Reform
12 (1.2%) Ovine Johne's Disease
9 (0.9%) Natal Groundwater Subsidy
6 (0.6%) Bushfire
11 (1.1%) Road
36 (3.6%) Storm (Other Seasonal)
1 (0.1%) Small Business

Total No. Approvals - 997

Total Amounts Approved by Type
July 2003 - June 2004

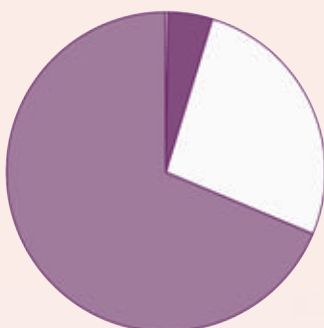


45,280 (0.2%) Tie Drainage
238,286 (0.9%) Soil Conservation
5,385,047 (19.9%) Irrigation
8,570,243 (31.7%) Stock & Domestic Water
116,940 (0.4%) San. Tuxsock, Eff. Out/Waste Water
90,080 (0.3%) Flying Fox
109,671 (0.4%) Plant Perennial Species
558,132 (2.1%) De-Silting
1,044,797 (3.9%) Feed Storage
346,408 (1.3%) Fodder Greenhouses
5,446,675 (20.2%) Water Reform
104,250 (0.4%) Ovine Johne's Disease
1,807,183 (6.7%) Natal Groundwater Subsidy
397,286 (1.5%) Bushfire
176,457 (0.7%) Road
2,852,108 (10.6%) Storm (Other Seasonal)
12,080 (0.0%) Small Business

Total Approved \$27,024,527

Commonwealth/State Schemes

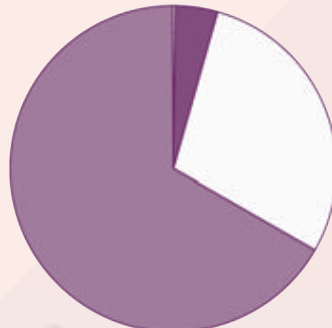
Total Applications by Type
July 2003 - June 2004



19 (0.4%) West 2000 Plus
216 (4.2%) MA
1372 (26.9%) AAA FarmBis
3493 (68.5%) Exceptional Circumstances

Total No. Applications - 5100

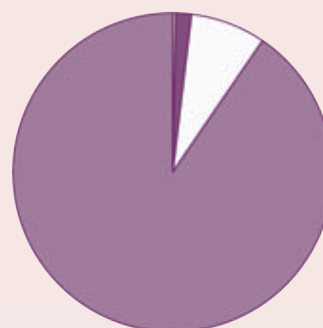
Total Approvals by Type
July 2003 - June 2004



15 (0.4%) West 2000 Plus
168 (4.2%) MA
1165 (28.9%) AAA FarmBis
2685 (66.6%) Exceptional Circumstances

Total No. Approvals - 4033

Total Amounts Approved by Type
July 2003 - June 2004



235,485 (0.4%) West 2000 Plus
939,806 (1.6%) MA
4,235,690 (7.3%) AAA FarmBis
52,506,461 (90.7%) Exceptional Circumstances

Total Approved \$57,917,442

Financial Statements



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

To Members of the New South Wales Parliament

Audit Opinion

In my opinion the financial report of the NSW Rural Assistance Authority:

- (a) presents fairly the NSW Rural Assistance Authority's financial position as at 30 June 2004 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 45E of the *Public Finance and Audit Act 1983* (the Act).

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

The Chief Executive Officer's Role

The financial report is the responsibility of the Chief Executive Officer of the NSW Rural Assistance Authority. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, the program statement -expenses and revenues, the summary of compliance with financial directives and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Chief Executive Officer in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Chief Executive Officer had not fulfilled his reporting obligations.


My opinion does not provide assurance:

- about the future viability of the NSW Rural Assistance Authority,
- that the NSW Rural Assistance Authority has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The 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 are not compromised in their role by the possibility of losing clients or income.


R Hegarty FCPA
Director of Audit

SYDNEY
1 October 2004

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 2000; and the Financial Reporting Directives published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies.

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 under review.

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

Date: 13.09.04



F Rowe
Board Member

Date: 13.09.04



R F Sheldrake
Board Member

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	Notes	Actual 2004 \$'000	Budget 2004 \$'000	Actual 2003 \$'000
Expenses				
Operating expenses				
Employee related	2(a)	2,693	2,450	2,439
Other operating expenses	2(b)	2,547	1,590	2,550
Maintenance		23	22	35
Depreciation	2(c)	15	18	15
Grants & Subsidies	2(d)	66,681	27,787	12,682
Borrowing Costs	2(e)	3,922	4,235	5,478
Other expenses	2(f)	-	-	28,142
Total Expenses		75,881	36,102	51,341
Less:				
Retained Revenue				
Investment Income	3(a)	258	300	131
Other Revenue	3(b)	6,648	11,037	10,986
Total Retained Revenue		6,906	11,337	11,117
Profit on sale of non-current assets	4	-	-	-
Net Cost of Services		68,975	24,765	40,224
Government Contributions				
Recurrent appropriation	5	69,944	23,966	38,415
Capital appropriation	5	61	140	22
Acceptance by the Crown Entity of employee entitlements and other liabilities	6	314	93	276
Total Government Contributions		70,319	24,199	38,713
SURPLUS / (DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES		1,344	(566)	(1,511)
TOTAL REVENUES, EXPENSES, and VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		-	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	14	1,344	(566)	(1,511)

The accompanying notes form part of these statements

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Notes	Actual 2004 \$'000	Budget 2004 \$'000	Actual 2003 \$'000
ASSETS				
Current Assets				
Cash	8	11,108	5,779	6,436
Receivables	9	7,524	8,243	7,943
Total Current Assets		18,632	14,022	14,379
Non-Current Assets				
Plant & Equipment	10	76	152	30
Receivables	9	79,131	74,206	79,284
Total Non-Current Assets		79,207	74,358	79,314
Total Assets		97,839	88,380	93,693
LIABILITIES				
Current Liabilities				
Payables-Other	11	2,502	2,363	2,948
Payables-Treasury	11	4,369	4,368	3,783
Interest Bearing Liabilities	12	7,537	11,207	11,707
Provisions	13	230	225	230
Other	11	2,789	111	111
Total Current Liabilities		17,427	18,274	18,779
Non-Current Liabilities				
Provisions	13	47	52	52
Interest Bearing Liabilities	12	74,557	66,873	70,398
Total Non-Current Liabilities		74,604	66,925	70,450
Total Liabilities		92,031	85,147	89,229
Net Assets		5,808	3,233	4,464
EQUITY				
Accumulated funds	14	5,808	3,233	4,464
Total Equity		5,808	3,233	4,464

The accompanying notes form part of these statements

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

	Notes	Actual 2004 \$'000	Budget 2004 \$'000	Actual 2003 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(2,533)	(2,301)	(2,178)
Grants and subsidies		(66,681)	(27,787)	(12,682)
Finance Costs		(3,922)	(4,235)	(5,478)
Other		(3,058)	(2,483)	(31,771)
Total Payments		(76,194)	(36,806)	(52,109)
Receipts				
Interest received		147	203	162
Other		7,806	7,604	13,015
Total Receipts		7,953	7,807	13,177
Cash Flows from Government				
Recurrent appropriation		72,733	23,966	38,526
Capital appropriation		61	140	22
Cash reimbursements from the Crown Entity		149	93	125
Cash Transfer to Consolidated Fund		(111)	-	(653)
Net Cash Flows from Government		72,832	24,199	38,020
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	4,591	(4,800)	(912)
CASH FLOWS FROM INVESTING ACTIVITIES				
Movement in non-current Receivables		153	-	2,369
Advance repayments received		17,550	17,308	13,129
Purchases of plant and equipment		(61)	(140)	(22)
Advances made		(17,499)	(9,000)	(12,468)
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		143	8,168	3,008
CASH FLOWS FROM FINANCING ACTIVITIES				
Movement in Interest Bearing Liabilities		(11)	-	(586)
Proceeds from borrowings and advances		17,499	9,000	12,468
Repayment of borrowings and advances		(17,550)	(13,025)	(13,129)
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		(62)	(4,025)	(1,247)
NET INCREASE/(DECREASE) IN CASH		4,672	(657)	849
Opening cash and cash equivalents		6,436	6,747	5,587
CLOSING CASH AND CASH EQUIVALENTS	8	11,108	6,090	6,436

The accompanying notes form part of these statements

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES

	2004				2003			
	RECURRENT	EXPENDITURE /	CAPITAL	EXPENDITURE /	RECURRENT	CAPITAL		
	APPROPRIATION	NET CLAIM ON	APPROPRIATION	NET CLAIM ON	APPROPRIATION	EXPENDITURE	APPROPRIATION	EXPENDITURE
		CONSOLIDATED		CONSOLIDATED				
	\$'000	FUND	\$'000	FUND	\$'000	\$'000	\$'000	\$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
Appropriation Act	23,966	20,021	140	61	31,806	24,579	50	22
Section 26 of PF & AACommonwealth Specific Purpose Payment	50,619	46,529			14,000	13,836		
Section 22 PFAA Expenditure for certain works and services	4,100	3,394						
	78,685	69,944	140	61	45,806	38,415	50	22
OTHER APPROPRIATIONS / EXPENDITURE								
Treasurer's Advance	0	0	0	0	0	0	0	0
Transfers from another agency (Section 25 of the Appropriations Act)	0	0	0	0	(1,500)	0	0	0
Transfers from another agency (Section 26 of the Appropriations Act)	0	0	0	0	0	0	0	0
Total Appropriation / Expenditure/ Net Claim on Consolidated Fund	78,685	69,944	140	61	44,306	38,415	50	22
Amount drawn down against Appropriation		72,733		61		38,526		22
Liability to Consolidated Fund		(2,789)		0		(111)		0

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".

Material variances between appropriations and actual expenditure:

Material variations are discussed in detail in Note 16.

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

(a) Reporting Entity

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

The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

(b) Basis of accounting

The Authority's financial statements are a general purpose financial report which has been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the Public Finance and Audit Act and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies, or issued by the Treasurer under Section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS6 "Accounting Policies" is considered.

The financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

The accounting policies adopted are consistent with those of the previous year.

(c) Revenue Recognition

Revenue is recognised when the Authority has control of the good or right to receive, it is probable that the economic benefits will flow to the Authority, and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

(i) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenues when the agency obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions are normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are now accounted for as liabilities rather than revenue. The liability is disclosed in Note 11 as part of "Current Liabilities-Other". The amount will be repaid and the liability will be extinguished next financial year.

(ii) Investment Income

Interest revenue is recognised as it accrues.

(d) Employee Benefits

(i) Wages and Salaries, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits) and annual leave are recognised and measured in respect of employee's services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

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) Accrued Salaries and Wages – reclassification

As a result of the adoption of Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets", accrued salaries and wages and on-costs and accrued leave loading has been reclassified to "payables" instead of "provisions" in the Statement of Financial Position and the related note disclosures, for the current and comparative periods. On the face of the Statement of Financial Position and in the notes, reference is now made to "provisions" in place of "employee entitlements and other provisions". Total employee benefits (including accrued salaries and wages and accrued leave loading) are reconciled in Note 13 "Provisions".

(III) Long Service Leave and Superannuation

The Authority's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Authority 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 on a shorthand basis. The shorthand method is based on the remuneration rates at year-end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

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 employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State

Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's superannuation contributions.

(e) Insurance

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for government agencies. The premium is determined by the Fund Manager based on past experience.

(f) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- 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.
- receivables and payables are stated with the amount of GST included.

(g) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

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

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(h) Plant & Equipment

Plant & equipment costing \$5,000 and above individually are capitalised.

The recoverable amount test has not been applied as the Authority is a not-for-profit entity whose service potential is not related to the ability to generate net cash inflows.

(i) Depreciation of Non-Current Physical Assets

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 entity. The



useful life of different classes of assets has been based on Treasury guidelines, which may be varied as a result of management review.

Default asset class lives are:

Computing equipment 4 years

Furniture and fittings 8 years

Compactus and shelving 15 years

(j) Maintenance and Repairs

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(k) Receivables

Receivables are recognised and carried at the original invoice amount less a provision for any uncollectable debts. An estimate of doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(l) Payables

These amounts represent liabilities for goods and services provided to the Authority, and other amounts including interest. Interest is accrued over the period it becomes due.

(m) Interest Bearing Liabilities

All loans are valued at current capital value. Treasury funds all loans. Interest is accrued on a monthly basis and charged as per loan agreement. Loan interest received is forwarded to Treasury on a monthly basis.

(n) 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 Financial and Audit Act 1983.

The budgeted amounts in the Statement of Financial Performance and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of

Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts ie per the audited financial statements (rather than carried forward estimates).

(o) Borrowing Costs

The Rural Assistance Authority provides loans to the rural sector and small business. These funds are advanced from the Crown Transaction Entity on a regular basis. As of 1 July 2002 Treasury commenced to charge the Authority interest on the funds that it has advanced. The amount of the interest charged by Treasury is in line with the interest that the Authority charges for re-lending the funds for approved purposes. The accounts in 2002/2003 were adjusted to reflect interest outstanding as at the 1 July 2002.

(P) Transition to Australian Equivalents to International Financial Reporting Standards

The agency will apply the Australian Equivalents to International Financial Reporting Standards (AIFRS) from the reporting period beginning 1 July 2005. The transition to these new standards is being managed by The NSW Department of Primary Industries, under a service level agreement, by using an internal Project Team to analyse the pending standards and Urgent Issues Group Abstracts in order to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition.

As a result of this exercise, the NSW Department of Primary Industries has taken the following steps to manage the transition to the new standards:

- i) Project Team members have attended seminars conducted by bodies such as NSW Treasury, the Certified Practicing Accountants and SAP;
 - ii) Exposure Drafts and Standards have been reviewed for possible implications;
 - iii) Relevant websites are being regularly visited.
- Issues such as AASB 117 Leases and AASB 132 Financial Instrument Disclosure and Presentation will require further investigation. Agencies are being assisted by NSW Treasury with them mandating options, providing website updates, and establishing an IAS Agency Reference Panel.

2 OPERATING EXPENSES

		2004 \$'000	2003 \$'000
(a) Employee related expenses			
	Salaries and wages (including recreation leave)	2,198	1,930
	Superannuation	211	192
	Long service leave	88	129
	Workers compensation insurance	12	16
	Payroll tax and fringe benefits tax	120	108
	Other - Miscellaneous	64	64
		2,693	2,439
(b) Other Operating expenses			
	Auditor's Remuneration	59	50
	Rent Expense	341	341
	Insurance	9	8
	Communications	74	76
	Valuation Fees/ Survey Costs	48	25
	Miscellaneous	2,016	2,050
		2,547	2,550
(c) Depreciation			
	Computers	-	3
	Furniture	15	12
		15	15
(d) Grants and Subsidies			
	Rural Adjustment Scheme (State)	5,197	-
	Rural Adjustment Scheme (Commonwealth)	46,749	-
	WEST 2000 (State)	14	-
	FarmBis (State)	2,243	-
	FarmBis (Commonwealth)	2,243	-
	WEST 2000	97	279
	Water Use Efficiency Scheme	5,359	3,917
	OJD Subsidy Grants	1,141	4,056
	West 2000 Plus	1,159	912
	Murrumbidgee Irrigation Area	1,324	746
	Namoi Ground Water	1,158	2,772
		66,681	12,682
(e) Borrowing Costs			
	Interest from loans	3,922	5,478
		3,922	5,478
(f) Other expenses			
	Rural Adjustment Scheme (State)	-	1,728
	Rural Adjustment Scheme (Commonwealth)	-	15,553
	WEST 2000 (State)	-	81
	FarmBis (State)	-	5,390
	FarmBis (Commonwealth)	-	5,390
		-	28,142

Costs associated with Rural Adjustment Scheme, West2000 (State), and FarmBis have been reclassified as Grants and Subsidies (see Note 2 (d)).

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3 REVENUES	2004	2003
	\$'000	\$'000
(a) Investment Income		
Interest	258	131
	258	131
(b) Other Revenue		
Interest Income on Loans	3,963	3,104
Miscellaneous Revenue	56	144
Grants Budget Sector Agency	2,629	7,738
	6,648	10,986

4 (PROFIT) ON SALE OF NON-CURRENT ASSETS	2004	2003
	\$'000	\$'000
(Profit) on disposal of Plant and Equipment		
Proceeds from sale	-	-
Net gain on disposal of plant and equipment	-	-

5 APPROPRIATIONS	2004	2003
	\$'000	\$'000
RECURRENT APPROPRIATIONS		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	72,773	38,526
Less: Liability to Consolidated Fund (per Summary of Compliance)	2,789	111
TOTAL	69,944	38,415
Comprising:		
Recurrent Appropriations (Per Statement of Financial Performance)	69,944	38,415
CAPITAL APPROPRIATIONS		
Total capital drawdowns from Treasury (per Summary of Compliance)	61	22
TOTAL	61	22
Comprising:		
Capital Appropriations (Per Statement of Financial Performance)	61	22

6 ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES	2004	2003
	\$'000	\$'000
Superannuation	211	192
Long service leave	90	72
Payroll Tax on Superannuation	13	12
	314	276

7 PROGRAM ACTIVITIES

Program Objectives: Assistance to Farmers

To assist the rural industry to help rural people become independent of ongoing Government assistance.

To promote an efficient and competitive rural sector and promote adjustment out of farming.

Program Description: Assistance to Farmers

Provide interest subsidies, loans and grants to farmers under various schemes.

Assistance to farmers and small businesses affected by natural disasters.

Initiatives to farmers to increase farm business management skills.

8 CASH and CASH EQUIVALENTS	2004	2003
	\$'000	\$'000
CASH- Operating Account	6,645	2,505
Remitting Account	4,463	3,931
Closing Cash and Cash Equivalents (per Cash Flow Statement)	11,108	6,436

9 CURRENT / NON-CURRENT ASSETS - RECEIVABLES	2004	2003
	\$'000	\$'000
CURRENT		
Loans to Clients	6,922	7,240
Other	817	975
Less: Provision for Doubtful Debts	(215)	(272)
	7,524	7,943
NON CURRENT		
Loans to Clients	81,127	80,686
Less: Provision for Doubtful Debts	(1,996)	(1,402)
	79,131	79,284

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

10 NON CURRENT ASSETS - PLANT AND EQUIPMENT	2004	2003
	\$'000	\$'000
Plant and Equipment at Cost	175	114
Accumulated Depreciation	99	84
	76	30

	Computer Equipment		Computer Equipment		TOTAL	
	2004	2003	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2004						
Carrying amount at start of year	0	3	30	20	30	23
Additions	0	0	61	22	61	22
Disposals	0	0	0	0	0	0
Depreciation for the year	0	(3)	(15)	(12)	(15)	(15)
Carrying Amount at the end of year	0	0	76	30	76	30

a) The Authority continues to derive service potential and economic benefits from the following fully depreciated assets:	Original Cost	
	\$,000	\$,000
	2004	2003
Computers	49	49
Office Equipment	23	0
	72	49

11 CURRENT LIABILITIES	2004	2003
	\$'000	\$'000
PAYABLE		
Creditors	2,412	2,869
Creditors-Treasury	4,369	3,783
Accrued Salaries and Wages	83	70
Accrued Leave Loading	7	9
	6,871	6,731
OTHER		
Liability to the Consolidated Fund	2,789	111

12 CURRENT / NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES	2004	2003
	\$'000	\$'000
CURRENT		
Treasurer, NSW Loan Capital	7,537	11,707
	7,537	11,707
NON CURRENT		
Treasurer, NSW Loan Capital	74,557	70,398
	74,557	70,398

13 CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

	2004	2003
	\$'000	\$'000
CURRENT		
Employee benefits and related on-costs		
Recreation Leave	225	224
Long Service Leave	5	6
	230	230
NON-CURRENT		
Long Service Leave	47	52
	47	52
Aggregate Employee Benefits and related on-costs		
Provisions	230	230
Provisions - non-current	47	52
Accrued Salaries and Wages (Note 11)	83	70
Accrued Leave Loading (Note 11)	7	9
	367	361

14 CHANGES IN EQUITY

	Accumulated Funds	
	2004	2003
	\$'000	\$'000
Balance at the beginning of the financial year	4,464	5,975
Changes in Equity - Other than transactions with owners as owners.		
Surplus / (Deficit) for the year	1,344	(1,511)
Balance at the end of the financial year	5,808	4,464

15 COMMITMENTS FOR EXPENDITURE

	2004	2003
	\$'000	\$'000
Corporate Service Agreement - Orange		
Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:		
Not later than one year	972	972
Later than one year but not later than 5 years	3,888	3,888
Later than 5 years	3,240	4,212
	8,100	9,072

The total of 'Corporate Service Agreement' above includes input tax credits of \$493,364 that are expected to be recoverable from the Australian Taxation Office.

16. BUDGET REVIEW

Net Cost of Services

The actual net cost of services was higher than budget by \$44.210m.

The reasons for significant variances between actual and budget amounts disclosed in the financial statements are as follows:

(a) Grants & Subsidies

Grants and Subsidies of \$66.681m (\$12,682m in 2002/03) were \$38.894m higher than budget due to the initial budget not containing an allocation for the Rural Adjustment Scheme expenses (\$51.943m).

(b) Other Expenses

Other Expenses of \$0.0m (\$28.142m in 2002/03) equalled the budget. The budget for the Advancing Australian Agriculture Program which had been previously included in this item has been reclassified to Grants & Subsidies.

(c) Other Operating Expenses

Other Operating Expenses of \$2.547m (\$2.550m in 2002/03) were \$0.957m higher than budget due to costs associated in dealing with Drought applications.

(d) Borrowing Costs

Borrowing Costs of \$3.922m (\$5.478m in 2002/03) were \$0.313m lower than budget.

Assets and Liabilities

(e) Cash Held at Bank

Cash balances 30 June 2003 of \$11.108m (\$6.436 in 2002/03) were higher than budget by \$5.329m due to a change in the acquittal process with the Commonwealth in relation to the Rural Adjustment Scheme.

(f) Receivables

Total Receivables balances of \$86.655m (\$87.227m in 2002/03) were higher than budget by \$4.206m. The variance in the receivable

balances can be attributed to an increase in the Provision for Bad Debts and higher than expected level of advances.

(g) Interest Bearing Liabilities

Total Borrowing's of \$82.094m (\$82.105m in 2002/03) were higher than budget by \$4.014m. The variance in the receivable balances can be attributed to an increase in the amount of Special Conservation Scheme Loans being advanced.

Cash Flow

(h) Grants and Subsidies

Grants and Subsidies of \$66.681m (\$12.682m in 2002/03) were \$38.894m higher than budget. The expenditure for the Advancing Australian Agriculture Program which had been previously included in "Other (Payments)" have been reclassified to Grants & Subsidies. In addition there were unexpected levels of expenditure for the Rural Adjustment Scheme expenses (\$51.943m).

(i) Other (Payments)

Other Expenses of \$6.980m (\$37.249m in 2002/03) were \$0.262m higher than budget.

(j) Receipts

Receipts of \$7.953m (\$13.177m in 2002/03) were higher than budget by \$0.146m.

(k) Recurrent Appropriation

Receipts of \$72.733m (\$38.526m in 2002/03) were higher than budget by \$48.767m due to the factors that have affected 'Grants & Subsidies'.

(l) Cash Flows from Investing Activities

Advances made to clients \$17.499m (\$12.468m in 2002/03) were higher than budget by \$8.499m due to additional drought initiatives included in the Special Conservation Scheme and the increased demand from the Scheme.

**17 RECONCILIATION OF NET CASH FLOWS
FROM OPERATING ACTIVITIES TO NET COST OF
SERVICES**

	Actual	Actual
	2004	2003
	\$'000	\$'000
Net cash flows from operating activities	4,591	(912)
Adjustments for items not involving cash:		
Depreciation	(15)	(15)
Increase/(Decrease) in Other Liabilities	5	(110)
Provision for doubtful debts	2,211	1,674
Acceptance by the Crown Entity of Employee entitlements and liabilities	(165)	(151)
Contributions from Government	(72,832)	(38,020)
Interest on Other Advances	-	-
Non Cash Expenses	-	-
Increase/(Decrease) in receivables	(2,630)	253
(Increase)/Decrease in Investments	-	-
(Increase)/Decrease in payables	(140)	(2,943)
Net Loss/(Gain) on Disposal of Assets	-	-
Net cost of services	(68,975)	(40,224)

18. FINANCIAL INSTRUMENTS

Financial Instruments give rise to situations that create a financial asset of the Authority and a financial liability (or equity instrument) of the other party, or vice versa. For the Authority, these financial instruments include cash, receivables, investments, and payables.

The specific accounting policy in respect of each class of such financial instruments is stated hereunder:

1. Classes of financial instruments recorded at cost, comprise:
Cash
Payables
Borrowings – are recorded at cost plus interest
2. Classes of financial instruments recorded at other than cost, comprise:
Receivables – are recorded at cost less the balance of the provision for doubtful debts
All financial instruments, including revenues, expenses, or other cash flows arising from instruments, are recognised on an accruals basis.

(a) Cash

Cash comprises cash on hand and bank balances within the 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 Treasury.

(b) Receivables

Receivables represent loans advanced by the Authority to Primary Producers and Small Business under various schemes. Collectability of loans is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). 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. This interest rate is set at the approval date and is fixed for the life of the loan. The interest rate on Natural Disaster loans is fixed at 2.5%. The carrying amount approximates net fair value.

(c) Bank Overdraft

The Rural Assistance Authority does not have any bank overdraft facility.

(d) Payables

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 Directions 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 directions 219.01 allow the Minister to award interest for late payment. There has been no instance of interest being incurred for late payment during the year.

(e) Borrowings

The Rural Assistance Authority repays to NSW Treasury the Principal and Interest repayments received from Primary Producers and Small Business. The Rural Assistance Authority expects to repay Treasury Advances as follows:

	2004	2003
	\$'000	\$'000
Less than one year	14,251	14,683
One to five years	37,557	23,916
Greater than five years	36,212	48,963
	88,020	87,562

APPENDIX

APPENDIX 1: GUARANTEE OF SERVICE

SERVICES AVAILABLE

Our responsibility is assistance.

These Schemes are currently available:

- The Commonwealth Rural Adjustment Scheme gives financial help to farmers to promote both growth in productivity and farm adjustment.
- The State Special Conservation Scheme gives financial help to farmers to promote better land management.
- The State Relief Scheme 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 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.
- 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 inquiries from 8.30 am to 5.00 p.m., Monday to Friday.

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.
- If you are still not satisfied, arrange for a personal interview with a senior officer, or put your suggestion or complaint in writing to:

The Chief Executive
NSW Rural Assistance Authority
Locked Bag 23
ORANGE 2800
Phone (02) 63913000

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

Office of the Ombudsman
Level 3, 580 George Street
SYDNEY NSW 2800

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.

APPENDIX 2: CODE OF CONDUCT

1. New South Wales Rural Assistance Authority

The New South Wales 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 rationalize

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 a 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 recognized 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.

APPENDIX

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 compromises 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.

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 & 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 to be 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.

11. 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.

12. 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 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.

13. Post Separation Employment

Former officers of the Authority should ensure that

APPENDIX

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.

14. 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.

15. 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.

APPENDIX 3:

NSW RURAL ASSISTANCE AUTHORITY'S ETHNIC AFFAIRS PRIORITIES STATEMENT

The NSW Rural Assistance Authority in response to the cultural and linguistic needs of its clients and staff

has developed an Ethnic Affairs Priorities Statement (EAPS) program to replace the former Charter of Principles for a Culturally Diverse Society and Ethnic Affairs Policy Statement program.

The EAPS program seeks to achieve outcomes in the areas of social justice, community harmony, and economic & cultural opportunities, together with performance measures and plans for future action.

The EAPS program will seek to incorporate principles from the Ethnic Affairs Commission Act 1979 and the following key issues in the development of initiatives and strategies:

- mechanisms to ensure that boards, committees and other advisory structures in the Authority reflect the cultural diversity of the community;
- flexible, inclusive consultation processes;
- programs and services which reflect the needs of the entire community;
- training for staff on cultural diversity issues and how it applies in their jobs;
- the development and application of rules and regulations which are sensitive to the needs of all staff and clients;
- the provision of language services for all clients.

The Authority's EAPS program includes the following Initiatives and Strategies in order to better meet the needs of our clients:

Availability of Interpreter Service

- Ensure clients and staff are made aware of the availability of an Interpreter Service.

Determine language skills available within the Authority's staff

- Survey staff to ascertain what languages are spoken.
- Liaise with NSW Agriculture regarding the availability of staff who speak languages other than English.
- Encourage bilingual staff to test for Community Language Allowance Scheme (CLAS) in those languages most in demand by clients.

Establish Ethnicity of the Authority's client base

- Survey Rural Counsellors.
- Obtain current statistics relating to ethnic groups from Australian Bureau of Statistics and Ethnic Affairs Commission.

Allow for the provision of information brochures in other languages on request

- Arrange to obtain the services of a translation service, eg from Ethnic Affairs Commission, if required.
- Advise Rural Counsellors of the availability of translation service.
- Advise staff of availability of service.
- Provide information on translation service with applications for assistance.

Encourage a greater understanding with staff of the cultural needs of the Authority's client base

- Canvas Rural Counsellors as to special needs of the Authority's clients.
- Provide information/training on various cultural issues affecting the Authority's clients.
- Keep staff informed of the Authority's Ethnic Affairs Priority Statement.

Ensure EAPS initiatives are incorporated into the Authority's Corporate Plan

- Make use of information obtained through other EAPS initiatives to develop future policies and services.

Include EAPS in the staff management, recruitment (including induction), training and promotion processes

- Provide multi-lingual job search brochures in job information packages.
- Include EAPS in all advertisements for vacant positions.
- Survey job applicants as to ethnicity.

Review existing policies to ensure compliance with EAPS

- Compliance with EAPS in all policies.

Inclusion of EAPS in Flexible Work Practices

- Review policies in regard to EAPS and provide information to staff.
- Include EAPS information in the induction process.
- Provide equal opportunities for training and promotion of staff regardless of ethnic or cultural/ religious background.



R F SHELDRAKE
CHIEF EXECUTIVE

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ABBREVIATIONS

EAPS	-	Ethnic Affairs Priority Statement
EEO	-	Equal Employment Opportunity
MIA	-	Murrumbidgee Irrigation Area
NGSAP	-	Namoi Groundwater Structural Adjustment Program
OJD	-	Ovine Johne's Disease
RAA	-	Rural Assistance Authority
RAS	-	Rural Adjustment Scheme
WRSAP	-	Water Reform Structural Adjustment Package

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