

09/10



NSW RURAL ASSISTANCE AUTHORITY ANNUAL REPORT 2009-2010



**Rural
Assistance
Authority**



ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2010

ADDRESS: 161 Kite Street, Orange NSW 2800
POSTAL ADDRESS: Locked Bag 23, Orange NSW 2800
DX: 3037 Orange
TELEPHONE: 02 6391 3000
TOLL FREE: 1800 678 593
FACSIMILE: 02 6391 3098
EMAIL: rural.assist@raa.nsw.gov.au
WEBSITE: www.raa.nsw.gov.au
BUSINESS HOURS: 8:30am to 5:00pm Monday to Friday

This annual report summarises the activities and performance of the New South Wales Rural Assistance Authority for 2009-10. This and earlier reports are available on the Authority's website: www.raa.nsw.gov.au. Copies are available on request from the Authority.

Our Reference ROUT10/584

Telephone (Direct)



**Rural
Assistance
Authority**

Head Office
161 Kite Street, Orange NSW 2800
Locked Bag 23, Orange NSW 2800
DX 3037, Orange
Telephone (02) 6391 3000
Toll Free Number 1800 345 593
Facsimile (02) 6391 3098
Email rural.assist@raa.nsw.gov.au
Website www.raa.nsw.gov.au

ABN 17 283 358 394

The Hon Steve Whan MP
Minister for Primary Industries
Minister for Emergency Resources
Minister for Rural Affairs
Level 33 Governor Macquarie Tower
1 Farrar Place
SYDNEY NSW 2000

Dear Minister

We take pleasure in presenting on behalf of the members of the Board, the 2009-10 Annual Report for the NSW Rural Assistance Authority. This report is offered for your information and presentation to Parliament.

The report outlines the Authority's operational framework and highlights service delivery achievements to the primary productions and small business sectors of regional and rural New South Wales.

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
Chair

George Davey
Chief Executive

New South Wales Government



CONTENTS

<i>Chair's report</i>	3
<i>Introducing the NSW Rural Assistance Authority</i>	4
<i>Performance under objectives</i>	5
<i>Objective 1 – Natural Disaster Relief Assistance</i>	6
<i>Objective 2 – Rural Adjustment Scheme (Exceptional Circumstances)</i>	9
<i>Objective 3 – Special Conservation Scheme</i>	10
<i>Farm Debt Mediation</i>	11
<i>Statistics on applications and approvals</i>	12
<i>Corporate governance</i>	14
<i>Corporate services and human resources</i>	17
<i>Financial statements</i>	20
<i>Appendices</i>	51
<i>Index</i>	58



Fran Rowe

The NSW Rural Assistance Authority has continued to provide support and information throughout regional NSW over the past twelve months. In particular, the Natural Disaster Relief Assistance (NDRA) scheme has been a major area of Authority activity resulting in one of the highest number of applications processed under this scheme in a number of years. NDRA approvals to eligible primary producers and small businesses affected by severe storms or bushfire totalled \$18.6 million in response to more than 350 applications lodged during the financial year.

Improved conditions across the state have resulted in continued demand for support under the Special Conservation Scheme as primary producers moved to nurture and protect the biological and physical resource base by completing conservation works on their agricultural holdings. The Special Conservation Scheme is an incentive based scheme promoting improved land management practices in NSW. It provides affordable finance to primary producers for conservation works including the planting of perennial species such as lucerne and saltbush, construction of feed storage facilities and the capping and piping of artesian bores. In 2009–2010 the Authority received 214 Special Conservation Scheme applications with a total value of \$10.2 million approved.

The reduction in areas subjected to Exceptional Circumstances (EC) declarations is mirrored by a fall in the number of Exceptional Circumstances Interest Rate Subsidy (ECIRS) applications. Over 5,700 applications were processed by the Authority to a value of \$201.5 million over the period under review. Since the initial 2002 declaration of Exceptional Circumstances in NSW, the Authority has processed over 51,000 applications, approving more than 44,000 subsidies valued at \$1.41 billion.

The Authority has continued to focus on improving community awareness of its role during the 2010 financial year. In addition to the efficient assessment of applications, staff have participated in rural activities providing information and clarification on available assistance measures. The continued commitment and professionalism of Authority staff is commended and appreciated by all board members.

Board members welcomed Andrew Brown to the Authority Board during the review year. Andrew brings a wealth of experience in trust and corporate structures, corporate governance, legislation and regulatory systems to the Board. These skills will be of benefit to the operations of the Authority and will complement the valuable input of fellow board members who continued to give generously of their time during the review period.

I extend my sincere thanks to all board members, the executive and the staff of the NSW Rural Assistance Authority for their continued support and commitment during the 2009–2010 financial year.

Fran Rowe
CHAIR





INTRODUCING THE NSW RURAL ASSISTANCE AUTHORITY

A Brief History

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

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

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

Charter

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

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

Vision

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

Mission

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

Objectives

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

They are to ensure that:

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

Excellence in Service Delivery

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

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

The Authority's adaptability and commitment to meeting the changing needs of its diverse client base is evidenced by continued staff training and development processes which include a focus on customer service, its multi-media approach to communication and its willingness to pursue new opportunities to provide rural NSW with information about its services.

Guarantee of Service

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

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

To achieve high service standards the Authority requests that clients:

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

The full *Guarantee of Service* is available on the Authority's website: www.raa.nsw.gov.au

PERFORMANCE UNDER OBJECTIVES



Performance at a glance

Scheme	Applications Received	Applications Approved	Assistance \$
Natural Disaster Relief Assistance - loans	359	189	18,633,300
Natural Disaster Relief Assistance - grants	2,447	2,386	27,365,341
Special Conservation Scheme	214	158	10,241,356
Rural Adjustment Scheme – primary producer	4,920	4,609	188,440,650
Rural Adjustment Scheme – small business	544	457	13,139,880

A total of 112 new cases commenced under the *Farm Debt Mediation Act 1994*.



1

OBJECTIVE 1

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

NATURAL DISASTER RELIEF ASSISTANCE

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

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

In 2009–10 the Authority assisted applicants who were affected by natural disasters such as storms, floods and bushfires. These events are listed in the following table.

Natural disaster events * Indicates Agricultural Natural Disaster declaration - assistance available to eligible Primary Producers only.

Date of Disaster	Nature of Natural Disaster	Area Affected (Local Government Area)
5-6/09/2008	Storm	Bellingen
22/01/2009 - 9/02/2009	Bushfire	Shoalhaven, Eurobodalla, Palerang
30/01/2009	Bushfire	Bega Valley, Eurobodalla
1-9/02/2009	Bushfire	Tumut, Tumbarumba
6-7/02/2009	Bushfire	Muswellbrook, Singleton
7/02/2009	Bushfire	Gosford
28/08/2009 - 8/09/2009	Bushfire	Shoalhaven, Eurobodalla, Bega Valley
20/09/2009	Bushfire	Great Lakes
21-22/09/2009	Dust Storm *	Western NSW (Broken Hill City Council, Central Darling Shire & unincorporated areas north & west of the shire)
22/09/2009	Hailstorm *	Young
27/09/2009 - 6/10/2009	Bushfire	Clarence Valley, Coffs Harbour
27/09/2009 - 12/10/2009	Bushfire	Great Lakes, Gloucester, Greater Taree, Port Macquarie-Hastings
14-28/10/2009	Bushfire	Clarence Valley
26-27/10/2009	Floods	Nambucca, Bellingen
1/11/2009	Bushfire	Murray
5/11/2009	Hailstorm *	Tenterfield
6/11/2009	Floods	Mid North Coast - Coffs Harbour, Nambucca, Bellingen, Kempsey
15-23/11/2009	Bushfire	Cabonne, Orange, Blayney, Cowra
18-21/11/2009	Bushfire *	Tingha
19/11/2009	Bushfire *	Pinnacle Swamp (north of Lake Windamere)
26/11/2009	Hailstorm *	Leeton & Yenda
4-15/12/2009	Bushfire	Bathurst
5/12/2009	Bushfire *	Mount Lion (Kyogle)
7-20/12/2009	Bushfire	Tweed, Byron, Ballina, Kyogle, Richmond Valley
7-24/12/2009	Bushfire	Guyra, Uralla, Armidale-Dumaresq, Walcha, Inverell, Tenterfield, Glenn Innes Severn, Port Macquarie Hastings

continues

Date of Disaster	Nature of Natural Disaster	Area Affected (Local Government Area)
8/12/2009	Bushfire *	Upper Hunter - Caves area (north east of Timor)
8/12/2009	Bushfire *	Vittoria area (near Bathurst)
8/12/2009	Bushfire *	Cootamundra (Old Gundagai Rd area)
8-24/12/2009	Bushfire	Narrabri, Moree, Gwydir
8-26/12/2009	Bushfire	Gunnedah, Liverpool Plains, Tamworth, Upper Hunter
10/12/2009	Bushfire *	Glen Irie (west of Guyra)
11-19/12/2009	Bushfire	Blue Mountains, Hawkesbury
12/12/2009	Bushfire *	Diamond Swamp Complex (between Barraba, Bingara & Bundarra)
17/12/2009	Bushfire *	Tooma area near Tumbarumba (Ournie fire)
17/12/2009	Bushfire *	Gerogery area (North Albury)
17/12/2009	Bushfire *	Michelago (Cooma)
17/12/2009	Bushfire	Cooma-Monaro
17/12/2009	Bushfire	Tumbarumba
17/12/2009	Storms	Albury
17-18/12/2009	Bushfire	Penrith
17-21/12/2009	Bushfire	Greater Hume
21/12/2009 & 3/01/2010	Hailstorms *	Singleton District (Broke, Fordwich, Milvrodale, Singleton)
24/12/2009	Floods	North West - Bland, Bogan, Bourke, Brewarrina, Coonamble, Gilgandra, Gwydir, Lachlan, Liverpool Plains, Moree, Narrabri, Tamworth, Walgett, Warren, Warrumbungle, Upper Hunter, Uralla
25/12/2009	Bushfire	Gosford
25/01/2010	Bushfire	Bega Valley
28/01/2010	Hailstorm *	Bilpin
29/01/2010	Hailstorm *	Mingoola/Bonshaw (Tenterfield)
4/02/2010	Storms	Blue Mountains
5/02/2010	Floods	Southern NSW - Bega Valley, Eurobodalla, Cooma-Monaro
8/02/2010	Floods	Balranald, Carrathool
11-15/02/2010	Floods	Southern NSW - Bombala
13/02/2010	Floods	Far West - Central Darling, Cobar, Forbes, Lachlan, Narramine, Parkes, Unincorporated Area
13-14/02/2010	Floods	Forbes
14/02/2010	Floods	Carathool
14/02/2010	Storms & Floods	Boorowa
5-7/03/2010	Storms & Floods	Greater Hume
5-7/03/2010	Floods	Central Darling
7/03/2010	Floods	Boorowa, Coolamon, Greater Hume, Gundagai, Junee, Lockhart, Narrandera, Temora, Tumbarumba, Urana, Wagga, Yass Valley
7/03/2010	Storm *	Narrandera, Urana
7/03/2010	Hailstorm *	Deniliquin (Conargo & Murray LGAs)
22/03/2010	Floods	Outback NSW - Bourke, Brewarrina, Walgett
30/05/2010	Storm *	South Coast - Bega Valley, Eurobodalla
30-31/05/2010	Storms, Wind, Heavy Rain	Southern NSW - Bega, Bombala, Cooma-Monaro, Eurobodalla
3/06/2010	Tornado/Torrential Rain	North Coast - Ballina, Byron

LOANS

Loans are limited to the minimum amount required to cover normal farming and business activities, replace losses and make repairs not covered by insurance.

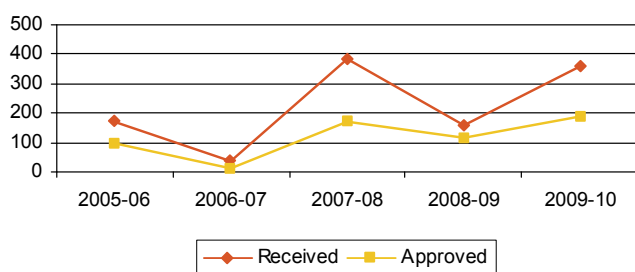
Assistance under this scheme by its nature is not compensatory, therefore applicants need to be in urgent and genuine need of assistance.

The maximum loan is \$130,000. There is an interest and repayment-free period of two years followed by a maximum repayment term of 10 years. The interest rate for Natural Disaster Relief Assistance loans at 30 June 2010 was 2.56 per cent.

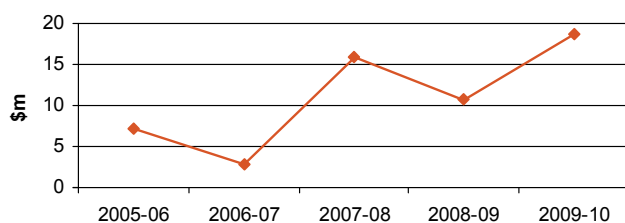
In 2009–10 the Authority received 359 Natural Disaster Relief Assistance applications and approved \$18.63 million in loans.

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

Natural Disaster Relief Assistance - Loan Applications



Natural Disaster Relief Assistance - Loan Amounts Approved



RECOVERY GRANTS

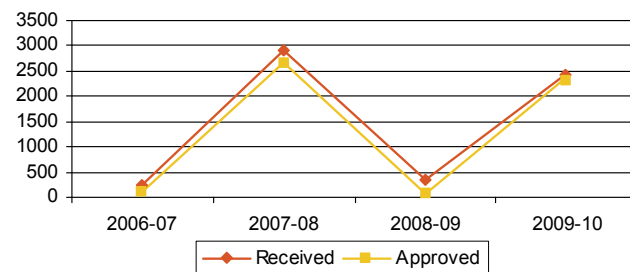
Additional assistance measures, which include recovery grants, have been available since June 2007 as part of the Community Recovery Package to provide immediate relief to eligible primary producers and small businesses for clean-up and restoration costs in the aftermath of extreme natural disasters.

Recovery grants are funded by both the State and Australian governments, with activation of recovery grant provisions of the Natural Disaster Relief Arrangements requiring specific approval from the Australian Government.

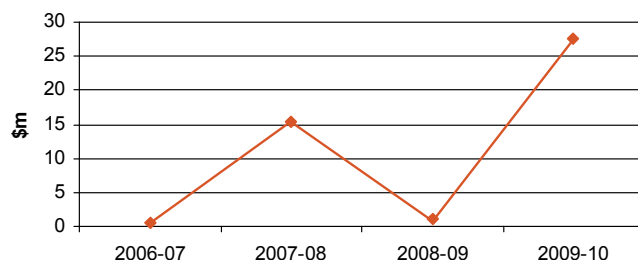
During 2009–10 the Authority completed processing of applications following the March/April and May 2009 North Coast floods where grants of up to \$15,000 per small business / farm enterprise were made available. This assistance measure expired on 30 September 2009 with the Authority receiving 2,447 applications and approving \$27.36 million in assistance for the 12 month period ended 30 June 2010.

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

Natural Disaster Relief Assistance - Grant Applications



Natural Disaster Relief Assistance - Grant Amounts Approved



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

2

OBJECTIVE 2

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

RURAL ADJUSTMENT SCHEME – EXCEPTIONAL CIRCUMSTANCES INTEREST RATE SUBSIDY

The Exceptional Circumstances Interest Rate Subsidy (ECIRS) scheme continues to provide valuable support to primary producers and small business operators who are considered profitable in the long term, but whose businesses are suffering financial difficulty as a result of the ongoing Exceptional Circumstances (EC) drought conditions being experienced in parts of NSW.

Assistance is through an interest subsidy grant to a maximum of 80 per cent of the interest payable on, and associated costs of, either existing or new business related loans. The subsidy can be up to \$100,000 per year with maximum total assistance available of \$500,000.

Assistance is available to eligible applicants for the duration of the EC declaration relevant to their farm or small business, with

activation of EC assistance requiring specific approval from the Australian Government. The current Exceptional Circumstances (drought) have been in place since November 2002 for primary producers and 2007 for small business.

Due to continuing drought conditions during 2009–10, EC assistance was extended in early 2010 for most already declared areas from 1 April 2010 to 31 March 2011, with the eligible areas within the Dubbo and Molong declaration areas also increased. Other areas have been extended to 30 April 2011.

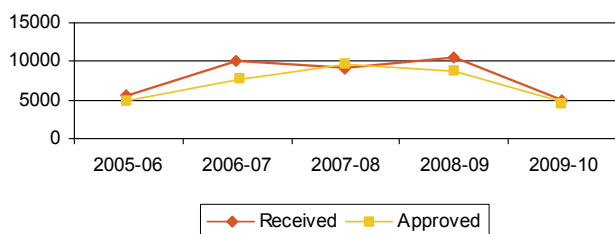
The Australian Government has also approved assistance for drought affected farmers in the Bega Valley which is due to expire on 30 April 2011, while the Eurobodalla and Bundarra areas are due to expire on 30 April 2012.

PRIMARY PRODUCERS

The 2009–10 financial year continued to see high levels of demand for Exceptional Circumstances assistance from primary producers with 4,920 applications received and over \$188.4 million in assistance approved.

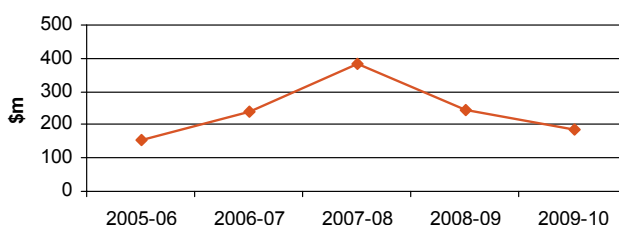
The following charts show Rural Adjustment Scheme – Primary Producer applications, and amounts approved over the past five years.

Exceptional Circumstances – Primary Producer Applications



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

Exceptional Circumstances – Primary Producer Amounts Approved



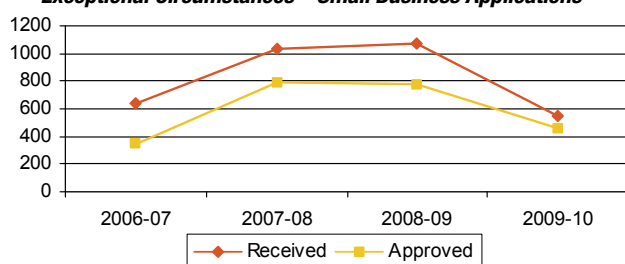
SMALL BUSINESS

Assistance is available to eligible farming-related small businesses (those with less than 100 employees and/or that operate in towns with population of less than 10,000 people that are substantially reliant on farmer income). During 2009–10 demand for financial assistance was maintained from small businesses in Exceptional

Circumstances declared areas. There were over 540 applications received and more than \$13.1 million in assistance approved.

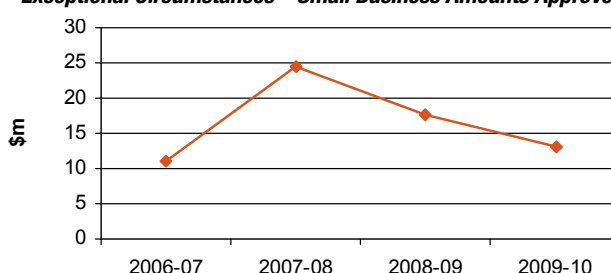
The following charts show Rural Adjustment Scheme – Small Business applications, and amounts approved over the past four years.

Exceptional Circumstances – Small Business Applications



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

Exceptional Circumstances – Small Business Amounts Approved



3 OBJECTIVE 3

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

SPECIAL CONSERVATION SCHEME

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

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

Examples of acceptable works under the Special Conservation Scheme include:

- soil conservation
- woody weed control
- control of noxious weeds (as defined in Schedule 3 of the *Noxious Weeds Act 1993*)
- stock and domestic water supply
- capping and piping of artesian bores
- upgrading/improving of existing irrigation systems
- exclusion netting to prevent flying fox damage to existing orchards with a demonstrated flying fox problem

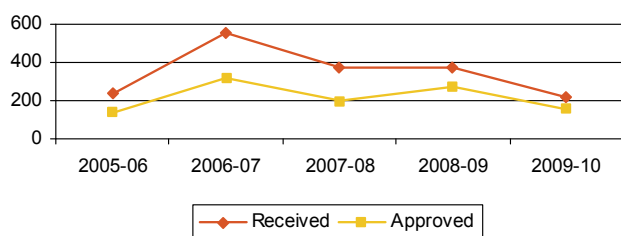
- hail netting
- livestock effluent control
- refurbishment and de-silting of ground tanks
- planting of perennial species such as lucerne and old man saltbush
- hay, grain and silage storage for livestock fodder.

Assistance is in the form of a fixed-interest loan at a concessional rate. The interest rate for Special Conservation Scheme loans at 30 June 2010 was 5.0 per cent. Loans are limited to 90 per cent of the GST-exclusive cost of the proposed works. The maximum amount any one applicant can receive under this scheme at a time is \$150,000. A maximum repayment term of 15 years is available with half yearly repayments in line with the client's cash flow.

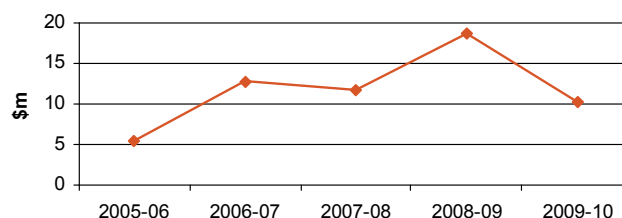
In 2009–10 the Authority received 214 Special Conservation Scheme applications and approved over \$10.2 million in assistance.

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

Special Conservation Scheme Applications



Special Conservation Scheme Amounts Approved



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



FARM DEBT MEDIATION

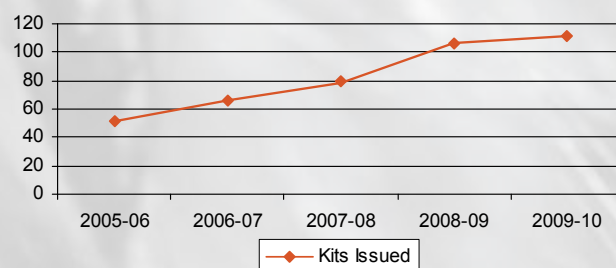
OBJECTIVE: Efficient and equitable resolution of farm debt disputes.

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

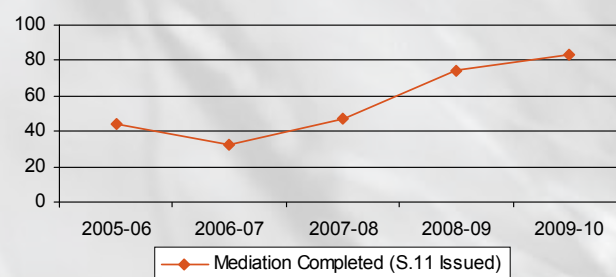
Demand for Farm Debt Mediation action from both farmers and credit providers has continued at the same level as the previous 12 months, with the 2009–10 year seeing 112 new cases commenced and 83 cases completed with Section 11 certificates issued.

Since commencement of the Act in February 1995, the Authority has issued a total of 2,247 mediation kits in relation to new cases commenced. Of the 1,908 cases completed and a Section 11 certificate issued, 1,106 went to mediation. The parties reached an agreement in 89 per cent of those cases.

Farm Debt Mediation - New Cases



Farm Debt Mediation - Cases Completed



STATISTICS ON APPLICATIONS AND APPROVALS

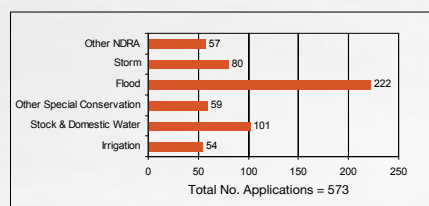
APPLICATIONS AND APPROVALS FOR ASSISTANCE – SUMMARY 2009–10

	Pending 01.07.09	Received (No.)	Withdrawn (No.)	Declined (No.)	Approved (No.)	\$ Value Approved	Pending 30.06.10
SPECIAL CONSERVATION SCHEME LOANS							
Soil Conservation	2	7	4	0	3	29,700	2
Control Noxious Weeds	0	2	0	0	2	91,500	0
Stock & Dom. Water	13	101	29	13	64	3,719,056	8
Upgrade Irrigation	15	54	14	6	49	4,671,800	0
Hail Netting	0	4	1	0	3	203,500	0
Effluent Control	0	2	1	0	1	150,000	0
De-Silting	3	6	1	0	8	278,400	0
Perennial Species	0	5	1	0	3	113,700	1
Feed Storage	6	33	8	6	25	983,700	0
Sub Total	39	214	59	25	158	10,241,356	11
NATURAL DISASTER RELIEF ASSISTANCE - LOANS							
Bushfire	0	33	0	9	17	1,788,000	7
Flood	14	222	6	103	107	9,940,000	20
Storm	19	80	1	36	59	6,632,000	3
Small Business	3	21	1	19	4	240,000	0
Non-profit Organisations	0	3	1	0	2	33,300	0
Sub Total	36	359	9	167	189	18,633,300	30
NATURAL DISASTER RELIEF ASSISTANCE - GRANTS							
Small Business	72	332	3	32	369	3,937,587	0
Primary Producer	196	2,115	20	274	2,017	23,427,754	0
Sub Total	268	2,447	23	306	2,386	27,365,341	0
EXCEPTIONAL CIRCUMSTANCES INTEREST RATE SUBSIDY							
Small Business	165	544	5	147	457	13,139,880	100
Primary Producer	1,430	4,920	22	568	4,609	188,440,650	1,151
Sub Total	1,595	5,464	27	715	5,066	201,580,530	1,251
GRAND TOTAL	1,938	8,484	118	1,213	7,799	257,820,527	1,292

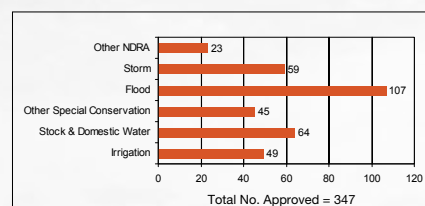
SCHEMES

State Schemes

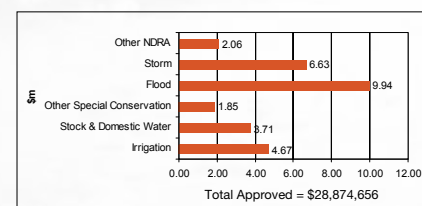
Applications by Type 2009-2010



Approvals by Type 2009-2010

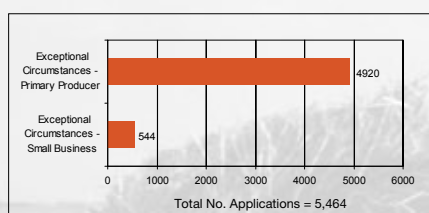


Approval Amounts 2009-2010

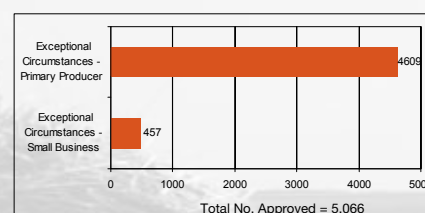


Australian/State Government schemes

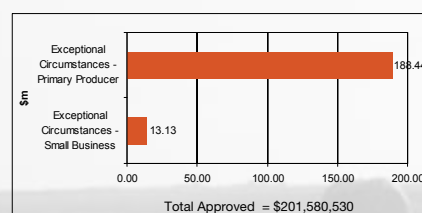
Applications by Type 2009-2010



Approvals by Type 2009-2010

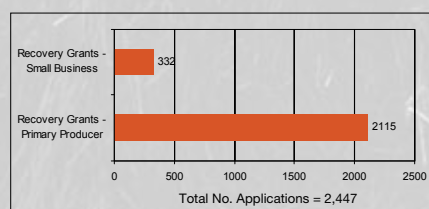


Approval Amounts 2009-2010

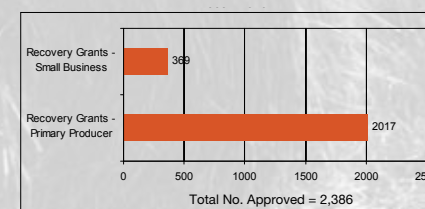


Other Schemes

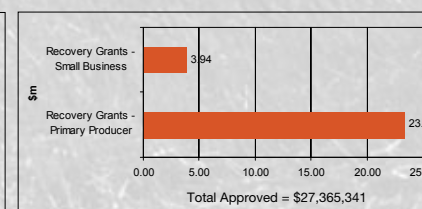
Applications by Type 2009-2010



Approvals by Type 2009-2010



Approval Amounts 2009-2010





CORPORATE GOVERNANCE

THE BOARD

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

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

Part-time Members with Relevant Qualifications and Experience

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

Appointed July 1989
Chairperson since July 1994

Dr Rae Cooper, BA (Hons), PhD, is a Research Fellow in the Faculty of Economics and Business at the University of Sydney. Dr Cooper is a member of the NSW Premier's Council for Women, is Review Editor for the *Journal of Industrial Relations* and is Vice-President of the Association of Industrial Relations Academics of Australia and New Zealand (AIRAANZ); has previously been the Chair of the NSW Working Women's Centre, in 2008 was an appointee to the Australia: 2020 Summit for the Productivity Agenda Panel, and in 2008–2009 was a visiting scholar at two North American Universities, the University of California, Berkeley, and the Harvard Law School.

Appointed March 2005

Mr Wayne Joliffe has had extensive experience in the financial industry over the past 34 years in the areas of loan assessments and submissions (residential, investment, commercial, business and asset finance) with all major and second tier lenders in Australia. Wayne recently took up a full time position with Australian Unity as a Finance Broker.

Appointed March 2008

Mr Andrew Brown (LLB, LLM) has practised law since 1981, and has extensive experience on trust and corporate structures, corporate governance, legislation and regulatory systems. He currently operates his own practice broadly commercial in focus, acting for a number of larger not-for-profit organisations. He is a past Secretary/In-House Counsel for The Law Society of New South Wales and has been Principal/Associate/Consultant for other commercial and litigation law firms in Sydney. Currently a Fellow of The Australian and New Zealand College of Notaries and the Financial Services Institute of Australasia and a Commander, Royal Australian Naval Reserve (RANR), Deputy Director Projects (Naval Co-operation and Guidance for Shipping) in Naval Headquarters, Canberra.

Appointed July 2009

Part-time Members Appointed to Represent Farmers

Mr Mal Peters is a sheep and cattle farmer from Ashford in northern NSW. He is a director of the Border Rivers Gwydir Catchment Management Authority and the Australian Centre for Agricultural Health and Safety, as well as being a councillor of Inverell Shire Council. Mal is also a member of the NSW Department of Primary Industries Ministerial Advisory Council and Scientific Advisory Council. He is a past president of NSW Farmers' Association, in 2007 was a member of Federal Government's Expert Panel on the Social Impacts of the Drought, in 2009 was Chairman of an inquiry into Hurlstone Agricultural High School for the State Government and in 2010 chaired a Ministerial Oversight Committee for a water study in the Namoi catchment.

Appointed October 2001

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

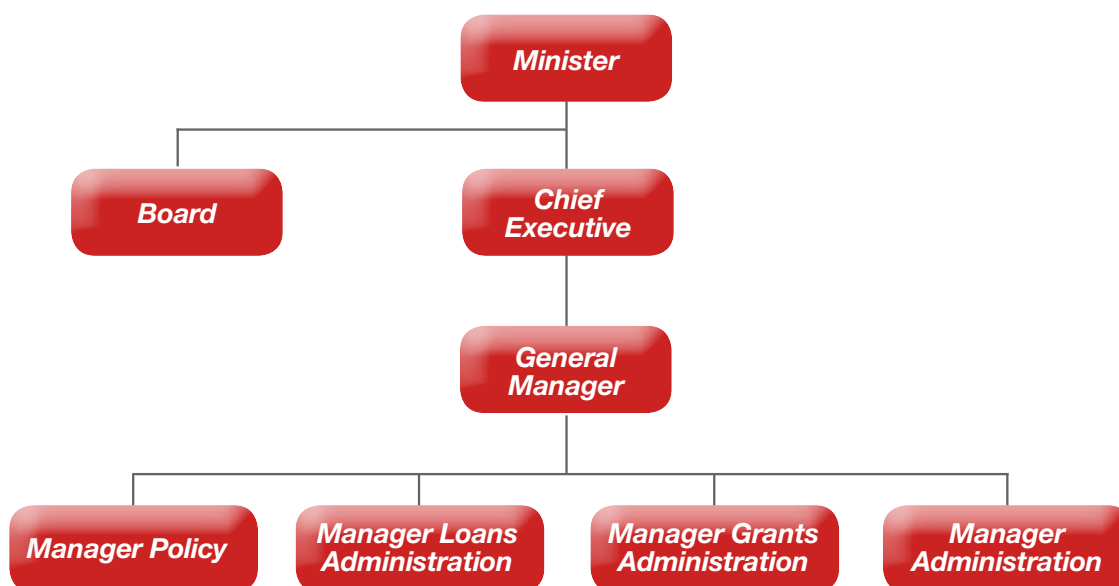
Appointed July 2003

Chief Executive

Mr George Davey, BSc (Hons), MSc (Food Technology), Fellow, AIFST, is Deputy Director-General and Executive Director, Fisheries, Compliance and Regional Relations with the NSW Department of Industry and Investment and was previously Director-General of the NSW Food Authority. Prior to this he had a long career in the dairy industry and food safety and had gained a wealth of public sector experience. Mr Davey also leads the PRIMEX team in the promotion of trade in primary industries between New South Wales and Asian countries, including Korea, Japan and the Sub-continent. In 2005 Mr Davey was awarded the Australian Institute of Food Science and Technology (AIFST) Award of Merit, and in 2010 was appointed to the position of Honorary Professor of Food Science by Changzhou University in Jiangsu Province, China.

Appointed December 2008

ORGANISATION STRUCTURE



Standing: Rae Cooper, Andrew Brown, Mal Peters
Seated: George Davey, Fran Rowe, Wayne Joliffe Absent: Robert Gledhill

BOARD MEETINGS AND ATTENDANCE

During 2009–10 the Board held meetings as follows:

19 August 2009

NSW Department of Industry and Investment, Sydney

19 November 2009

NSW Department of Industry and Investment, Orange

18 February 2010

NSW Department of Industry and Investment, Sydney

22 April 2010

NSW Department of Industry and Investment, Sydney

15 June 2010

NSW Department of Industry and Investment, Sydney

Board Attendance	Meeting Eligible to Attend	Meetings Attended
Ms Fran Rowe	5	5
Dr Rae Cooper	5	5
Mr Andrew Brown	5	5
Mr Wayne Joliffe	5	5
Mr Robert Gledhill	5	4
Mr Mal Peters	5	5
Mr George Davey	5	5

SENIOR OFFICERS



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

Mr Davey was appointed as Chief Executive in December 2008. He is Deputy Director-General and Executive Director, Fisheries, Compliance and Regional Relations with the NSW Department of Industry and Investment and was previously Director-General of the NSW Food Authority. Prior to this he had a long career in the dairy industry and food safety area. Mr Davey also leads the PRIMEX team in the promotion of trade in primary industries between New South Wales and Asian countries, including Korea, Japan and the Sub-continent.



Mr Stephen Griffith, BAgEc (Hons), MPP
General Manager

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



Mr Kevin Ekerick
Manager Farm Debt Mediation
Acting Director Client Services

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



Mr Thomas Bunworth
Manager Loans Administration

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



Mr Bruce Glover
Manager Grants Administration

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



Ms Corinne Kennedy
Acting Manager Policy

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

CORPORATE SERVICES AND HUMAN RESOURCES



CORPORATE SERVICES

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

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

STAFF EDUCATION AND TRAINING

The Authority continued its staff training program in 2009–10 by encouraging staff to undertake tertiary education and allowing staff enrolled in external business-related courses to take study leave in accordance with policy.

Assessment of training requirements continued through consultation and needs analysis.

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

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

STAFF INDUCTION

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

INDUSTRIAL RELATIONS

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

There were no significant industrial relations issues during the year.





NSW RURAL ASSISTANCE AUTHORITY FINANCIAL STATEMENTS — INDEPENDENT AUDITOR'S REPORT



GPO Box 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

New South Wales Rural Assistance Authority and Controlled Entity

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the New South Wales Rural Assistance Authority (the Authority), which comprise the statements of financial position as at 30 June 2010, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes for both the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Authority and the consolidated entity as at 30 June 2010, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 416 of the Public Finance and Audit Act 1983 (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

The Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does not provide assurance:

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

Independence

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

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

Peter Barnes
Director, Financial Audit Services

19 October 2010
SYDNEY

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



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

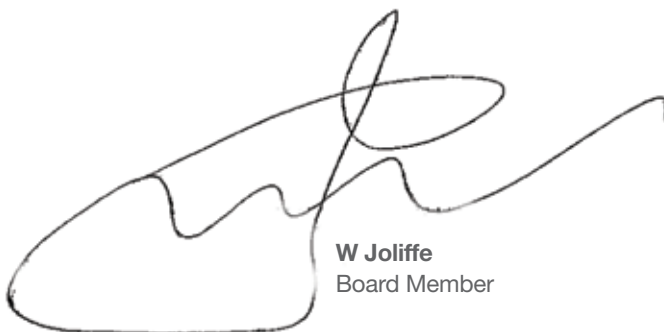
The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, regulations contained within the Public Finance and Audit Regulation 2010, and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

In our opinion the statements exhibit a true and fair view of the financial position and transactions of the Authority's operations for the year ended 30 June 2010.

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

Date:

19/10/2010



W Joliffe
Board Member

Date:

19th October 2010



S J Griffith
Acting Chief Executive

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Consolidated Actual 2010 \$'000	Consolidated Actual 2009 \$'000	Parent Actual 2010 \$'000	Parent Budget 2010 \$'000	Parent Actual 2009 \$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)					
Board members		41	62	41	62	62
Personnel services		2,654	2,969	2,654	2,759	2,969
Other operating expenses	2(b)	3,125	3,625	3,125	3,044	3,625
Depreciation and amortisation	2(c)	36	36	36	35	36
Grants and subsidies	2(d)	232,797	270,519	232,797	256,662	270,519
Finance Costs	2(e)	6,110	5,410	6,110	5,300	5,410
Total expenses excluding losses		244,763	282,621	244,763	267,862	282,621
Revenue						
Investment revenue	3(a)	7,061	6,743	7,061	5,882	6,743
Grants and contributions	3(b)	30,401	5,254	30,401	3,000	5,254
Other revenue	3(c)	31	44	31	14	44
Total Revenue		37,493	12,041	37,493	8,896	12,041
Net Cost of Services		207,270	270,580	207,270	258,966	270,580
Government Contributions						
Recurrent appropriation	4	209,047	273,216	209,047	258,954	273,216
Capital appropriation	4	0	28	0	50	28
Acceptance by the Crown Entity of employee benefits and other liabilities	5	193	243	193	140	243
Total Government Contributions		209,240	273,487	209,240	259,144	273,487
SURPLUS/(DEFICIT) FOR THE YEAR		1,970	2,907	1,970	178	2,907
Other comprehensive income						
Net increase / (decrease) in property, plant and equipment asset revaluation reserve						
Available for sale financial assets						
- Valuation gains / losses						
- Transferred to surplus / deficit on disposal						
Net change in the asset revaluation reserve arising from a change in the restoration liability						
Other net increases / (decreases) in equity						
Other comprehensive income for the year		0	0	0	0	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,970	2,907	1,970	178	2,907

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Notes	Consolidated Actual 2010 \$'000	Consolidated Actual 2009 \$'000	Parent Actual 2010 \$'000	Parent Budget 2010 \$'000	Parent Actual 2009 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	7	34,129	29,073	34,129	30,817	29,073
Receivables	8	3,733	4,436	3,733	2,886	4,436
Other financial assets	9	12,933	12,975	12,933	13,975	12,975
Total Current Assets		50,795	46,484	50,795	47,678	46,484
Non-Current Assets						
Other financial assets	9	89,254	81,504	89,254	85,004	81,504
Plant and equipment	10	98	134	98	149	134
Total Non-Current Assets		89,352	81,638	89,352	85,153	81,638
Total Assets		140,147	128,122	140,147	132,831	128,122
LIABILITIES						
Current Liabilities						
Payables	12	5,325	5,726	5,325	10,828	5,726
Borrowings	13	13,179	12,975	13,179	13,975	12,975
Provisions	14	392	346	392	336	346
Other	15	6,754	4,102	6,754	0	4,102
Total Current Liabilities		25,650	23,149	25,650	25,139	23,149
Non-Current Liabilities						
Borrowings	13	89,593	82,039	89,593	84,580	82,039
Provisions	14	5	5	5	5	5
Total Non-Current Liabilities		89,598	82,044	89,598	84,585	82,044
Total Liabilities		115,248	105,193	115,248	109,724	105,193
Net Assets		24,899	22,929	24,899	23,107	22,929
EQUITY						
Accumulated funds		24,899	22,929	24,899	23,107	22,929
Total Equity		24,899	22,929	24,899	23,107	22,929

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Accumulated Funds		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Balance at 1 July 2009	22,929	22,929	22,929	22,929
Surplus / (Deficit) for the year	1,970	1,970	1,970	1,970
Total other comprehensive income	0	0	0	0
Transactions with owners in their capacity as owners	0	0	0	0
Balance at 30 June 2010	24,899	24,899	24,899	24,899
Balance at 1 July 2008	20,022	20,022	20,022	20,022
Surplus / (Deficit) for the year	2,907	2,907	2,907	2,907
Total other comprehensive income	0	0	0	0
Transactions with owners in their capacity as owners	0	0	0	0
Balance at 30 June 2009	22,929	22,929	22,929	22,929

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Consolidated Actual 2010 \$'000	Consolidated Actual 2009 \$'000	Parent Actual 2010 \$'000	Parent Budget 2010 \$'000	Parent Actual 2009 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(2,456)	(2,760)	(2,456)	(2,691)	(2,760)
Grants and subsidies		(232,797)	(270,519)	(232,797)	(256,662)	(270,519)
Finance costs		(3,672)	(3,603)	(3,672)	(3,800)	(3,603)
Other		(23,951)	(31,144)	(23,951)	(23,044)	(31,144)
Total Payments		(262,876)	(308,026)	(262,876)	(286,197)	(308,026)
Receipts						
Interest received		652	1,954	652	612	1,954
Other		55,530	34,965	55,530	25,534	34,965
Total Receipts		56,182	36,919	56,182	26,146	36,919
Cash Flows from Government						
Recurrent appropriation		215,801	277,318	215,801	258,954	277,318
Capital appropriation (excluding equity appropriations)		0	28	0	50	28
Cash reimbursements from the Crown Entity		0	0	0	0	0
Cash transfers to the Consolidated Fund		(4,102)	(2,360)	(4,102)	0	(2,360)
Net Cash Flows from Government		211,699	274,986	211,699	259,004	274,986
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	5,005	3,879	5,005	(1,047)	3,879
CASH FLOWS FROM INVESTING ACTIVITIES						
Advance repayments received		16,247	15,186	16,247	17,800	15,186
Purchases of plant and equipment		0	(28)	0	(50)	(28)
Advances made		(21,516)	(27,169)	(21,516)	(17,000)	(27,169)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(5,269)	(12,011)	(5,269)	750	(12,011)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings and advances		21,516	27,169	21,516	17,000	27,169
Repayment of borrowings and advances		(16,196)	(15,212)	(16,196)	(14,959)	(15,212)
NET CASH FLOWS FROM FINANCING ACTIVITIES		5,320	11,957	5,320	2,041	11,957
NET INCREASE / (DECREASE) IN CASH		5,056	3,825	5,056	1,744	3,825
Opening cash and cash equivalents		29,073	25,248	29,073	29,073	25,248
CLOSING CASH AND CASH EQUIVALENTS	7	34,129	29,073	34,129	30,817	29,073

The accompanying notes form part of these financial statements

SERVICE GROUP STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

AGENCY'S EXPENSES & INCOME	Financial Assistance to Farmers and Small Business*		Not Attributable		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Expenses excluding losses						
Operating expenses						
• Employee related	2,695	3,031			2,695	3,031
• Other operating expenses	3,125	3,625			3,125	3,625
Depreciation and amortisation	36	36			36	36
Grants and subsidies	232,797	270,519			232,797	270,519
Finance costs	6,110	5,410			6,110	5,410
Total expenses excluding losses	244,763	282,621			244,763	282,621
Revenue						
Investment revenue	7,061	6,743			7,061	6,743
Grants and contributions	30,401	5,254			30,401	5,254
Other revenue	31	44			31	44
Total revenue	37,493	12,041			37,493	12,041
Net Cost of Services	207,270	270,580			207,270	270,580
Government contributions **			209,240	273,487	209,240	273,487
SURPLUS / (DEFICIT) FOR THE YEAR	(207,270)	(270,580)	209,240	273,487	1,970	2,907
Other Comprehensive Income						
Total Other Comprehensive Income	0	0			0	0
TOTAL COMPREHENSIVE INCOME	(207,270)	(270,580)	209,240	273,487	1,970	2,907
AGENCY'S ASSETS & LIABILITIES						
Current Assets						
Cash and cash equivalents	34,129	29,073			34,129	29,073
Receivables	3,733	4,436			3,733	4,436
Other financial assets	12,933	12,975			12,933	12,975
Total current assets	50,795	46,484			50,795	46,484
Non-current Assets						
Other financial assets	89,254	81,504			89,254	81,504
Property, plant and equipment	98	134			98	134
Total non-current assets	89,352	81,638			89,352	81,638
TOTAL ASSETS	140,147	128,122			140,147	128,122
Current Liabilities						
Payables	5,325	5,726			5,325	5,726
Borrowings	13,179	12,975			13,179	12,975
Provisions	392	346			392	346
Other	6,754	4,102			6,754	4,102
Total Current Liabilities	25,650	23,149			25,650	23,149
Non-current Liabilities						
Borrowings	89,593	82,039			89,593	82,039
Provisions	5	5			5	5
Total Non-current Liabilities	89,598	82,044			89,598	82,044
TOTAL LIABILITIES	115,248	105,193			115,248	105,193
NET ASSETS	24,899	22,929			24,899	22,929

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

** Appropriations are made on an agency basis and not to individual service groups. Consequently, government contributions must be included in the 'Not Attributable' Column.



PARENT – SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES

	2010				2009			
	RECURRENT APPROPRIATION \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APPROPRIATION \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	RECURRENT APPROPRIATION \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000	CAPITAL APPROPRIATION \$'000	EXPENDITURE / NET CLAIM ON CONSOLIDATED FUND \$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
Appropriation Act	258,954	209,047	50	0	173,509	173,509	50	28
s 26 PF&AA – Commonwealth specific purpose payments			0	0	117,950	90,034	0	0
OTHER APPROPRIATIONS / EXPENDITURE								
Section 22 - expenditure for certain works and services			0	0	12,740	9,673	0	0
Additional appropriation-Payroll tax rate adjustment			0	0	(1)	(1)	0	0
Additional appropriation-Revised TMF benchmark			0	0	1	1	0	0
Total Appropriation / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	258,954	209,047	50	0	304,199	273,216	50	28
Amount drawn down against Appropriation		215,801		0		277,318		28
Liability to Consolidated Fund		(6,754)		0		(4,102)		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".
For an explanation of variances to Budget, you are referred to Note 18.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

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

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

In accordance with AASB 127 *Consolidated and Separate Financial Statements and Interpretation 112 Consolidation-Special Purpose Entities* (SPE) the Office of the Rural Assistance Authority has been consolidated with its related statutory body, the NSW Rural Assistance Authority.

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

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

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

These consolidated financial statements for the year ended 30 June 2010 has been authorised for issue by the Board on 19 October 2010.

(b) Basis of Preparation

The Authority's financial statements are general purpose financial statements which have been prepared in accordance with:

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

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

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

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

(c) Statement of Compliance

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

(d) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector agencies.

(e) Grants and subsidies

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

(f) Insurance

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

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

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

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

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

(h) Income recognition

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

(i) Parliamentary appropriations and contributions

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

- Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.



The liability is disclosed in Note 15 as part of 'Current Liabilities – Other'. The amount will be repaid and the liability will be extinguished next financial year.

- Contributions from other bodies received in advance of the commencement of a grant program are recognised as Unearned revenue. The liability is disclosed in Note 12 as part of 'Current / Non-current Liabilities – Payables'.

(ii) Investment revenue

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

(i) Assets

(i) Acquisition of assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

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

(ii) Capitalisation thresholds

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

(iii) Revaluation of plant and equipment

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

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

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

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

(iv) Impairment of plant and equipment

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

(v) Depreciation of plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority.

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

Default asset class lives are:

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

Depreciation rates are reviewed and determined on an annual basis.

(vi) Maintenance

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

(vii) Loans and Receivables

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

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

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

Bad debts are written off as incurred.

(viii) Impairment of financial assets

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

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

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

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

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

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

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

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

(j) Liabilities

(i) Payables

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

(ii) Borrowings

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the surplus / (deficit) for the year on derecognition.

(iii) Employee benefits and other provisions

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

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

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

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

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

(b) Long service leave and superannuation

The Authority's liabilities for long service leave and defined benefit 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 at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 09/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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



(k) Other Provisions

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

(l) Budgeted amounts

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

The budgeted amounts in the statement of comprehensive income 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; i.e. per the audited financial statements (rather than carried forward estimates).

(m) Comparative Information

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

(n) New Australian Accounting Standards issued but not effective

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

Early adoption of new or revised Accounting Standards/
Interpretation.

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

- AASB 9 and AASB 2009-11 regarding financial instruments;
- AASB 2009-5 regarding annual improvements;
- AASB 2009-8 regarding share based payments;
- AASB 2009-9 regarding first time adoption;
- AASB 2009-10 regarding classification of rights;
- AASB 124 and AASB 2009-12 regarding related party transactions;
- Interpretation 19 and AASB 2009-13 regarding extinguishing financial liability with equity instruments;
- AASB 2009-14 regarding prepayments of a minimum funding requirement;
- AASB 2010-1 regarding AASB 7 comparatives for first time adopters.

2. EXPENSES EXCLUDING LOSSES

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
(a) Employee Related Expenses				
Salaries and wages (including recreation leave)	2,177	2,409	0	0
Superannuation – defined benefit plans	71	72	0	0
Superannuation – defined contribution plans	149	156	3	5
Long service leave	118	189	0	0
Workers compensation insurance	15	14	0	0
Payroll tax and fringe benefits tax	108	126	2	3
Personnel services	0	0	2,654	2,969
Other - Miscellaneous	57	65	36	54
	2,695	3,031	2,695	3,031
(b) Other operating expenses include the following:				
Auditor's remuneration – audit of the financial statements	88	90	88	90
Rent expense	392	394	392	394
Maintenance*	54	31	54	31
Insurance	6	6	6	6
Telecommunications	22	25	22	25
Travel	57	90	57	90
Contract expense	1,596	2,144	1,596	2,144
Administration Fees	582	582	582	582
Miscellaneous	328	263	328	263
	3,125	3,625	3,125	3,625
*Reconciliation – Total maintenance				
Maintenance expense – contracted labour and other (non-employee related), as above	54	31	54	31
Employee related maintenance expense included in Note 2(a)	0	0	0	0
Total maintenance expenses included in Note 2(a) + (b)	54	31	54	31
(c) Depreciation and amortisation expense				
Plant and equipment	36	36	36	36
	36	36	36	36
(d) Grants and subsidies				
Rural Adjustment Scheme (State)	20,158	26,373	20,158	26,373
Rural Adjustment Scheme (Commonwealth)	181,418	237,360	181,418	237,360
West 2000 Plus	18	218	18	218
Forging Partnerships	465	548	465	548
Agstart	337	1,558	337	1,558
Natural Disaster Relief Grants	26,696	810	26,696	810
Grant expense on low interest loans	3,705	3,652	3,705	3,652
	232,797	270,519	232,797	270,519
(e) Finance Costs				
Interest on Treasury Advance	3,672	3,603	3,672	3,603
Amortised interest expense	2,438	1,807	2,438	1,807
	6,110	5,410	6,110	5,410

3. REVENUE

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
(a) Investment revenue				
Interest	951	1,333	951	1,333
Interest income on loans	3,672	3,603	3,672	3,603
Amortised interest revenue	2,438	1,807	2,438	1,807
	7,061	6,743	7,061	6,743
(b) Grants and Contributions				
Grant revenue on low interest loan	3,705	3,652	3,705	3,652
Reimbursement for Natural Disaster Relief Grants	26,696	810	26,696	810
Grants – Budget Sector Agencies	0	574	0	574
Grants – Commonwealth	0	218	0	218
	30,401	5,254	30,401	5,254
(c) Other revenue				
Forgiveness of liabilities	0	1	0	1
Reduction in Doubtful Debts	0	24	0	24
Other revenue	31	19	31	19
	31	44	31	44

4. APPROPRIATIONS

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Recurrent appropriations				
Total recurrent draw-downs from Treasury (per Summary of Compliance)	215,801	277,318	215,801	277,318
Less: Liability to Consolidated Fund (per Summary of Compliance)	(6,754)	(4,102)	(6,754)	(4,102)
	209,047	273,216	209,047	273,216
Comprising:				
Recurrent appropriations (per Statement of comprehensive income)	209,047	273,216	209,047	273,216
	209,047	273,216	209,047	273,216
Capital appropriations				
Total capital draw-downs from Treasury (per Summary of Compliance)	0	28	0	28
Less: Liability to Consolidated Fund (per Summary of Compliance)	0	0	0	0
	0	28	0	28
Comprising:				
Capital appropriations (per Statement of comprehensive income)	0	28	0	28
	0	28	0	28

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

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
The following liabilities and/or expenses have been assumed by the Crown Entity or other Government agencies				
Superannuation – defined benefit	71	72	71	72
Long Service Leave	118	167	118	167
Payroll tax	4	4	4	4
	193	243	193	243

6. SERVICE GROUPS OF THE AUTHORITY

Financial Assistance to Farmers and Small Business

Service Description: This service group covers financial assistance by way of loans to farmers and small businesses to allow them to continue their operations following a natural disaster and loans to farmers aimed at promoting improved

land management practices and grants under various schemes. Assistance is also provided through grant programs with Exceptional Circumstances being the main program providing interest rate subsidies to farmers and small businesses.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Cash at bank and on hand				
Operating Account	30,551	25,181	30,551	25,181
Remitting Account	3,578	3,892	3,578	3,892
	34,129	29,073	34,129	29,073

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, short term deposits and bank overdraft.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	34,129	29,073	34,129	29,073
Closing cash and cash equivalents (per statement of cash flows)	34,129	29,073	34,129	29,073

Refer Note 20 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

8. CURRENT ASSETS – RECEIVABLES

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Current				
Interest Receivable	645	346	645	346
Interest Receivable – Interest on Loans	1,185	1,196	1,185	1,196
GST	1,871	2,211	1,871	2,211
Miscellaneous	32	683	32	683
	3,733	4,436	3,733	4,436

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 20.

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

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Current				
Advances Receivable - Loans to Clients	13,179	12,975	13,179	12,975
Less: Allowance for impairment	(246)	0	(246)	0
	12,933	12,975	12,933	12,975
Non-Current				
Advances Receivable - Loans to Clients	89,593	82,039	89,593	82,039
Less: Allowance for impairment	(339)	(535)	(339)	(535)
	89,254	81,504	89,254	81,504

Movement in the allowance for impairment

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Advances Receivable – Loans to Clients				
Balance at 1 July	535	561	535	561
Amounts written off during the year	0	(2)	0	(2)
Amounts recovered during the year	(39)	(155)	(39)	(155)
Increase / (decrease) in allowance recognised in profit or loss	89	131	89	131
Balance at 30 June	585	535	585	535

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 20.

10. NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
At 1 July 2009 – fair value				
Gross carrying amount	285	285	285	285
Accumulated depreciation	(151)	(151)	(151)	(151)
Net Carrying Amount	134	134	134	134
At 30 June 2010 – fair value				
Gross carrying amount	285	285	285	285
Accumulated depreciation	(187)	(187)	(187)	(187)
Net Carrying Amount	98	98	98	98

Reconciliation

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

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Year ended 30 June 2010				
Net carrying amount at start of year	134	134	134	134
Additions	0	0	0	0
Disposals	0	0	0	0
Depreciation expenses	(36)	(36)	(36)	(36)
Net carrying amount at end of year	98	98	98	98
At 1 July 2008 – fair value				
Gross carrying amount	257	257	257	257
Accumulated depreciation	(115)	(115)	(115)	(115)
Net Carrying Amount	142	142	142	142
At 30 June 2009 – fair value				
Gross carrying amount	285	285	285	285
Accumulated depreciation	(151)	(151)	(151)	(151)
Net Carrying Amount	134	134	134	134

Reconciliation

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

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Year ended 30 June 2009				
Net carrying amount at start of year	142	142	142	142
Additions	28	28	28	28
Disposals	0	0	0	0
Depreciation expenses	(36)	(36)	(36)	(36)
Net carrying amount at end of year	134	134	134	134

11. RESTRICTED ASSETS

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

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Current				
Principal & Interest Collections received from client borrowers and repayable to NSW Treasury (refer Note 7, 12)	3,367	3,682	3,367	3,682
Amount repayable to the Consolidated Fund (refer Note 7, 15)	6,754	4,102	6,754	4,102
	10,121	7,784	10,121	7,784

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Current				
Interest Receivable – Interest on Loans (refer Note 8, 12)	1,185	1,196	1,185	1,196
Other financial assets (refer Note 9, 13)	12,933	12,975	12,933	12,975
Non-Current				
Other financial assets (refer Note 9, 13)	89,254	81,504	89,254	81,504
	103,372	95,675	103,372	95,675

12. CURRENT LIABILITIES – PAYABLES

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Current				
Accrued salaries, wages and on-costs	82	120	9	12
Personnel Services payable	0	0	73	108
Creditors	691	728	691	728
Creditors - Treasury	4,552	4,878	4,552	4,878
	5,325	5,726	5,325	5,726

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 20.

13. CURRENT/NON-CURRENT LIABILITIES – BORROWINGS

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Current				
Unsecured				
Treasury, NSW Loan Capital	13,179	12,975	13,179	12,975
	13,179	12,975	13,179	12,975
Non-Current				
Unsecured				
Treasury, NSW Loan Capital	89,593	82,039	89,593	82,039
	89,593	82,039	89,593	82,039

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 20.

14. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Current				
Employee benefits and related on-costs				
Personnel services	0	0	392	346
Recreation Leave	297	252	0	0
Long Service Leave	95	94	0	0
	392	346	392	346
Non-Current				
Employee benefits and related on-costs				
Personnel services	0	0	5	5
Long Service Leave	5	5	0	0
	5	5	5	5
Aggregate employee benefits and related on-costs				
Provisions – current	392	346	392	346
Provisions – non-current	5	5	5	5
Personnel Services payable (Note 12)	0	0	73	108
Accrued salaries, wages and on-costs (Note 12)	82	120	9	12
	479	471	479	471

15. CURRENT LIABILITIES – OTHER

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Current				
Liability to Consolidated Fund	6,754	4,102	6,754	4,102
	6,754	4,102	6,754	4,102

16. COMMITMENTS FOR EXPENDITURE

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
(a) Service Level Agreement DPI				
Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:				
Not later than one year	247	972	247	972
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
Total (including GST)	247	972	247	972

The total of 'Service Level Agreement' above includes input tax credits of \$11 that are expected to be recoverable from the Australian Taxation Office (50% of GST paid is not recoverable due to being related to the provision of financial supply).

Under the current Service Level Agreement the Authority needs only provide six months notice to terminate the agreement.

(b) Loan Commitments

Commitments for the payment of Special Conversation Scheme and Natural Disaster Loans.

Not later than one year	2,859	4,023	2,859	4,023
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
Total (including GST)	2,859	4,023	2,859	4,023

The total of Loan Commitments does not include GST as they are financial supplies.

(c) Operating Lease Commitments

Lords Place, Orange building lease

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	0	23	0	23
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
Total (including GST)	0	23	0	23

No input tax credits are expected to be recoverable from the Australian Taxation Office.

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No Contingent Liabilities or Contingent Assets are known to exist at the time of signing of these statements (2009, Nil).

18. BUDGET REVIEW

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

Net Cost of services

The Net Cost of Services result was \$51.696m under budget. Grants and subsidies of \$232.797m (\$270.519m in 2008/09) were \$23.865m lower than budget mainly due to under expenditure on the Rural Adjustment Scheme of \$62.158 and unbudgeted expenditure of \$26.696m on Natural Disaster Relief Grants. Also unbudgeted revenue of \$26.696m was received as reimbursement for Natural Disaster Relief Grant expenditure.

Assets and liabilities

Current Assets are over budget by \$3.117m. This was mainly due to an increase of \$5.056m in cash and cash equivalents (\$34.129m 2009/10, \$29.073m 2008/09) which largely resulted from an increased liability to consolidated fund (\$2.652m).

Non-current Assets are over budget by \$4.199m. This is mainly due to the increased value of the loan portfolio. The available lending facility was increased from \$20.000m to \$27.000m in 2009/10 due to an increased demand for Natural Disaster Loans.

Total Liabilities are over budget by \$5.524m. This is mainly due to the increased value of the loan portfolio. The available lending facility was increased from \$20.000m to \$27.000m in 2009/10 due to an increased demand for Natural Disaster Loans.

Cash flows

Net Cash Flows from Operating are \$6.052m over budget mainly due to cash being received from the Crown for payment of Rural Adjustment Scheme grants which were not finalised by year end resulting in an increase in the liability to Consolidated Fund.

Net Cash Flows from Investing and Financing activities was under budget by \$2.740m mainly due to the timing of repayments and new loans drawn down during the year.

19. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	Consolidated 2010 \$'000	Consolidated 2009 \$'000	Parent 2010 \$'000	Parent 2009 \$'000
Net cash used on operating activities	5,005	3,879	5,005	3,879
Cash Flows from Government / Appropriations	(211,699)	(274,986)	(211,699)	(274,986)
Acceptance by the Crown Entity of employee benefits and other liabilities	(193)	(243)	(193)	(243)
Depreciation and amortisation	(36)	(36)	(36)	(36)
Increase / (Decrease) in Receivables	(702)	156	(702)	156
(Increase) / Decrease in Payables	401	678	401	678
(Increase) / Decrease in Provisions	(46)	(28)	(46)	(28)
Net cost of services	(207,270)	(270,580)	(207,270)	(270,580)

20. FINANCIAL INSTRUMENTS

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

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further

quantitative and qualitative disclosures are included throughout these financial statements.

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

(a) Financial Instrument Categories

Financial Assets	Note	Category	Consolidated Carrying Amount 2010 \$'000	Consolidated Carrying Amount 2009 \$'000	Parent Carrying Amount 2010 \$'000	Parent Carrying Amount 2009 \$'000
Class:						
Cash and cash equivalents	7	N/A	34,129	29,073	34,129	29,073
Receivables ⁽¹⁾	8	Loans and receivables (at amortised cost)	1,862	2,225	1,862	2,225
Other Financial Assets	9	Loans and receivables (at amortised cost)	102,187	94,479	102,187	94,479
Financial Liabilities	Note	Category	Consolidated Carrying Amount 2010 \$'000	Consolidated Carrying Amount 2009 \$'000	Parent Carrying Amount 2010 \$'000	Consolidated Carrying Amount 2009 \$'000
Class:						
Payables ⁽²⁾	12	Financial liabilities measured at amortised cost	5,325	5,726	5,325	5,726
Borrowings	13	Financial liabilities measured at amortised cost	102,772	95,014	102,772	95,014

Notes

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

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

(b) Credit Risk

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

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

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

Cash

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

Receivables – trade debtors

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

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2010: \$0; 2009: \$0) and past due (2010: \$0; 2009: \$0) are not considered impaired and together these represent 100% of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

Other Financial Assets

Other Financial Assets represents loans advanced by the Authority to primary producers and small businesses under various schemes. The carrying amount of Advances Receivable-Loans to Clients represents the present value of the outstanding principal and interest raised not accrued. Collectability of Advances Receivable-Loans to Clients is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). Interest is charged on the loans using various methods and rates, depending on the loan scheme. Currently, the interest rate on the special conservation scheme loans is set at 75% of the current NSW Treasury Corporation 10-year Bond Rate adjusted quarterly. This interest rate is set at the approval rate and is fixed for the life of the loan. The interest rate on Natural Disaster Loans is fixed at 50% of the 10-year Bond Rate. Currently the rate is 2.56% fixed for a year.

Special conservation scheme loans may be drawn down over a period, generally 12 months, and are recognised at fair value, usually based on the transaction cost or face value until fully determined (2010: \$4.631m; 2009: \$6.128m). Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

The Authority is not materially exposed to concentrations of credit risk to a single loan debtor or group of loan debtors. Based on past experience, debtors that are not past due and not impaired (2010: \$110.444m; 2009: \$100.769m) and past due (2010: \$1.482m; 2009: \$2.182m) and not impaired together represent 99% (2009: 99%) of the total loan debtors.

	Total ^{1,2} \$'000	Past due but not impaired \$'000	Considered impaired \$'000
2010			
< 3 months overdue	312	312	0
3 months – 6 months overdue	122	122	0
> 6 months overdue	1,633	1,048	585
2009			
< 3 months overdue	327	185	142
3 months – 6 months overdue	85	85	0
> 6 months overdue	2,305	1,912	393

Notes

1. Each column in this table represents "gross receivable"

2. The ageing analysis excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivable total recognised in the balance sheet.

Authority Deposits

The Authority has no funds placed on deposit with TCorp.

Other Facilities

The Authority has access to the following banking facilities:

	2010 \$'000	2009 \$'000
Mastercard Limit	15	15

The Authority has an annual loan drawdown facility with NSW Treasury (2010: \$27.000m; 2009: \$36.500m)

(c) Liquidity risk

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

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. The rate of interest applied during the year was 0% (2009 – 0%).

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount ¹ \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Int. Rate \$'000	Variable Int. Rate \$'000	Non- interest bearing \$'000	< 1 yr	1 – 5 yrs	> 5 yrs
2010								
Payables	0	5,325	0	0	5,325	5,325	0	0
Borrowings:								
Advances repayable	4.00%	131,920	131,920	0	0	19,409	72,779	39,732
		137,245	131,920	0	5,325	24,734	72,779	39,732
2009								
Payables	0	5,726	0	0	5,726	5,726	0	0
Borrowings:								
Advances repayable	4.11%	120,294	120,294	0	0	18,720	67,009	34,565
		126,020	120,294	0	5,726	24,446	67,009	34,565

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Authority can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

(d) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest

rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the statement of financial position date. The analysis is performed on the same basis for 2009. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Authority's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a

change in interest rates would not affect profit or loss or equity. A reasonably possible change of + / - 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

	S'000				
	Carrying Amount	-1% Profit	-1% Equity	1% Profit	1% Equity
2010					
<i>Financial assets</i>					
Cash and cash equivalents	34,129	(341)	(341)	341	341
Receivables	1,862	0	0	0	0
Other Financial Assets	102,187	0	0	0	0
<i>Financial liabilities</i>					
Payables	5,325	0	0	0	0
Borrowings	102,772	0	0	0	0
2009					
<i>Financial assets</i>					
Cash and cash equivalents	29,073	(291)	(291)	291	291
Receivables	2,225	0	0	0	0
Other Financial Assets	94,982	0	0	0	0
<i>Financial liabilities</i>					
Payables	5,726	0	0	0	0
Borrowings	95,014	0	0	0	0

Other price risk – Tcorp Hour-Glass facilities

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

(e) Fair value compared to carrying amount

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

21. AFTER BALANCE DATE EVENTS

The NSW Rural Assistance Authority has entered into a service level agreement with Industry & Investment NSW for the provision of corporate services to the Authority. The agreement is for a period of two years effective from 1 July 2010.

The Authority has given notice to vacate the premises it occupied in Lords Place effective from 1 November 2010.

End of the audited financial statements.



OFFICE OF THE RURAL ASSISTANCE AUTHORITY - INDEPENDENT AUDITOR'S REPORT



GPO Box 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Office of the Rural Assistance Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statement of the Office of the Rural Assistance Authority (the Office), which comprise the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes for the Office.

Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Office as at 30 June 2010, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41 B of the Public Finance and Audit Act 1983 (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

Division Head's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does not provide assurance:

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

Independence

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

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

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

Peter Barnes
Director, Financial Audit Services

19 October 2010
SYDNEY

STATEMENT BY THE DIRECTOR GENERAL



OFFICE OF THE RURAL ASSISTANCE AUTHORITY

Statement by the Director General

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

- The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the applicable clauses of the Public Finance and Audit Regulation 2010 and the Treasurer's Directions;
- The statements exhibit a true and fair view of the financial position and transactions of the Office of the Rural Assistance Authority for the year ended 30 June 2010; and
- At the date on which the statement is signed, there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Date:

19.10.10

A handwritten signature in black ink, appearing to read 'Richard Sheldrake'.

Richard Sheldrake

Director-General

Department of Industry and Investment

OFFICE OF THE RURAL ASSISTANCE AUTHORITY FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Actual 2010 \$'000	Actual 2009 \$'000
Expenses excluding losses			
Operating expenses			
Employee related	2	2,654	2,969
Total expenses excluding losses		2,654	2,969
Revenue			
Personnel Services	1(d), 3	2,461	2,726
Government contribution-Accepted by Crown Entity	1(g)(ii), 3	193	243
Total Revenue		2,654	2,969
SURPLUS/(DEFICIT) FOR THE YEAR		0	0
Other comprehensive income			
Other comprehensive income for the year		0	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		0	0

The accompanying notes form part of these financial statements



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Notes	Actual 2010 \$'000	Actual 2009 \$'000
ASSETS			
Current Assets			
Receivables	1(e)	465	454
Total Current Assets		465	454
Non-Current Assets			
Receivables	1(e)	5	5
Total Non-Current Assets		5	5
Total Assets		470	459
LIABILITIES			
Current Liabilities			
Payables	1(f)	36	44
Accrued salaries, wages and on-costs	1(f), 4	37	64
Employee Provisions	1(g), 4	392	346
Total Current Liabilities		465	454
Non-Current Liabilities			
Employee Provisions	1(g), 4	5	5
Total Non-Current Liabilities		5	5
Total Liabilities		470	459
Net Assets		0	0
EQUITY			
Accumulated funds		0	0
Total Equity		0	0

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2009	0	0
Surplus / (Deficit) for the year	0	0
Total other comprehensive income	0	0
Transactions with owners in their capacity as owners	0	0
Balance at 30 June 2010	0	0
Balance at 1 July 2008	0	0
Surplus / (Deficit) for the year	0	0
Total other comprehensive income	0	0
Transactions with owners in their capacity as owners	0	0
Balance at 30 June 2009	0	0

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Actual 2010 \$'000	Actual 2009 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		0	0
Total Payments		0	0
Receipts			
Personnel Services		0	0
Total Receipts		0	0
NET CASH FLOWS FROM OPERATING ACTIVITIES		0	0
NET INCREASE / (DECREASE) IN CASH		0	0
Opening cash and cash equivalents		0	0
CLOSING CASH AND CASH EQUIVALENTS	7	0	0

The accompanying notes form part of these financial statements



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

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

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

This financial report for the year ended 30 June 2010 has been authorised for issue by the Director-General, Department of Industry and Investment on 19 October 2010.

(b) Basis of Preparation

The Office's financial statements are general purpose financial statements which have been prepared in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- The *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2010* and
- Specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See Note 4.

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

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

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

(c) Statement of Compliance

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

(d) Income recognition

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

(e) Receivables

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

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for doubtful debts. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

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

(f) Payables

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

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

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

(g) Employee benefits and other provisions

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

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

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

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

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

(ii) Long service leave and superannuation

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

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 09/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

(h) Comparative Information

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

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

(I) New Australian Accounting Standards issued but not effective

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

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

- AASB 9 and AASB 2009-11 regarding financial instruments;
- AASB 2009-5 regarding annual improvements;

- AASB 2009-8 regarding share based payments;
- AASB 2009-9 regarding first time adoption;
- AASB 2009-10 regarding classification of rights;
- AASB 124 and AASB 2009-12 regarding related party transactions;
- Interpretation 19 and AASB 2009-13 regarding extinguishing financial liability with equity instruments;
- AASB 2009-14 regarding prepayments of a minimum funding requirement;
- AASB 2010-1 regarding AASB 7 comparatives for first time adopters.

2. EXPENSES EXCLUDING LOSSES

	2010 \$'000	2009 \$'000
Employee related		
Salaries and wages (including recreation leave)	2,177	2,409
Superannuation-defined benefit plans	71	72
Superannuation-defined contribution plans	146	151
Long service leave	118	189
Workers compensation insurance	15	14
Payroll tax and fringe benefits tax	106	123
Other - Miscellaneous	21	11
	2,654	2,969

3. REVENUE

	2010 \$'000	2009 \$'000
Personnel Services	2,461	2,726
	2,461	2,726
Government contribution-Accepted by Crown Entity		
Superannuation – defined benefit	71	72
Long Service Leave	118	167
Payroll Tax	4	4
	193	243

4. CURRENT/NON-CURRENT LIABILITIES – PROVISIONS

	2010 \$'000	2009 \$'000
CURRENT		
Employee benefits and related on-costs		
Recreation Leave	297	252
Long Service Leave	95	94
	392	346
NON-CURRENT		
Employee benefits and related on-costs		
Long Service Leave	5	5
	5	5
Aggregate employee benefits and related on-costs		
Provisions – current	392	346
Provisions – non-current	5	5
Accrued salaries, wages and on-costs	37	64
	434	415

5. COMMITMENTS

There were no Operating or Other Commitments outstanding as at 30 June 2010 (2009, Nil).

6. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No Contingent Liabilities or Contingent Assets are known to exist at the time of signing of these statements (2009, Nil).

7. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO THE SURPLUS / (DEFICIT) FOR THE YEAR

	2010 \$'000	2009 \$'000
Net cash from operating activities	0	0
Increase / (Decrease) in Receivables	11	38
(Increase) / Decrease in Payables	35	(10)
(Increase) / Decrease in Provisions	(46)	(28)
Surplus / (Deficit) for the Year	0	0

8. AUDIT FEES

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

9. FINANCIAL INSTRUMENTS

The Office has no cash and cash equivalents and all receivables (2010: \$470; 2009: \$459) relate to a single debtor, the NSW Rural Assistance Authority. No receivables are past due or impaired.

All liabilities (2010: \$470; 2009: \$459) are payables, accruals and provisions relating to the provision of personnel services to the NSW Rural Assistance Authority.

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

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

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

10. AFTER BALANCE DATE EVENTS

There are no events subsequent to the balance date which affect the financial information disclosed in these financial reports.

End of the audited financial statements.



Management

1. Legislation
2. Risk management
3. Budget initiatives: 2010–11
4. Internal audit and risk management statement
5. Business continuity plan
6. Energy management
7. Waste reduction and purchasing policy
8. Use of consultants
9. Payment performance
10. Credit card certification
11. Reviews

Stakeholder Relationships

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

Human Resources

18. Occupational health and safety
19. Equal employment opportunity
20. Disability action plan
21. Protected disclosures
22. Multicultural policies and service program

APPENDICES

1. Legislation

State

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

Commonwealth

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

2. Risk Management

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

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

The main risk areas identified within the Authority are:

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

The Authority's 2009–10 Workers' Compensation premium decreased by \$745 on the 2008–09 premium. There was one new worker's compensation claim received in 2009–10.

General insurance premiums decreased by \$724 in 2009–10.

Safety Inspections

Workplace inspections required under the *Occupational Health and Safety Act 2000* were conducted by the Occupational Health and Safety Committee on a regular basis during 2009–10.

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

Significant improvements in internal control

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

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

Fraud risk assessments were conducted.

3. Budget Initiatives: 2010–11

Total expenses

The Authority's total expenses for 2010–11 are budgeted at \$190.6 million. Exceptional Circumstances assistance is the major component at \$176.4 million, of which the Australian Government will contribute 90 per cent.

Also provided for in 2010–11 is:

- \$18 million for low interest rate loans under the Special Conservation Scheme
- a notional \$2 million for the Natural Disaster Relief Assistance scheme. Actual assistance will depend on the occurrence of natural disasters.

Capital expenditure

The Authority receives a minor allocation of \$50,000 for the replacement of and upgrade of office facilities.

The following charts highlight expected Service Measures and Financial Indicators for the 2010–11 financial year.

Service Measures	Units	2010-11 Forecast
Applications for assistance processed	no.	5,250
Applications processed within timeframes	%	90
Promotional Activities	no.	8
Farm Debt Mediation Applications determined	no.	50

Financial Indicators	2010-11 Budget \$'000
Total Expenses excluding Losses	190,629
Total expenses include the following	
Employee Related	2,694
Other operating expenses	3,030
Grants and subsidies	178,770
Exceptional Circumstances assistance	176,410
Total Retained Revenue	9,028
NET COST OF SERVICES	181,601
CAPITAL EXPENDITURE	50



4. Internal Audit and Risk Management Statement

The governing board of the NSW Rural Assistance Authority, is of the opinion that the NSW Rural Assistance Authority has internal audit and risk management processes in place that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

The governing board of the NSW Rural Assistance Authority, is of the opinion that the internal audit and risk management processes for the NSW Rural Assistance Authority depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) the NSW Rural Assistance Authority has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
<ul style="list-style-type: none"> Core Requirement 3 <p>Independent Chairs and Members – this covers Committee composition, and the requirement to appoint an independent chair and a majority of independent members.</p>	<p>The Authority Board considers that the members of the past Authority Finance and Internal Audit Committee have the experience, skills and history to meet all of the objectives and goals of the new Public Service Internal Audit and Risk Management Policy.</p> <p>The Hon Steve Whan, Minister for Primary Industries, approved an exemption to this requirement for the year ending 30 June 2010, and authorised current Board members to perform this function.</p>

The governing board of the NSW Rural Assistance Authority, is of the opinion that the Audit and Risk Committee for the NSW Rural Assistance Authority is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

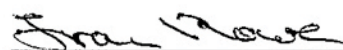
Chair, Mr Wayne Joliffe, (Board Member);

Independent Member, Mr Mal Peters, (Board Member);

Non-independent Member, Mr Michael Pickett, Manager Administration.

These processes, including the practicable alternative measures being implemented, provide a level of assurance that enables the senior management of the NSW Rural Assistance Authority to understand, manage and satisfactorily control risk exposures.

In accordance with a resolution of the Governing Board of the
NSW Rural Assistance Authority

 25.08.2010

Mrs Fran Rowe
Chair

5. Business Continuity Plan

Business continuity plans have been developed for the Authority. A desktop test of the plans was completed during the year.

Processes to help overcome envisaged problems as a result of a disaster affecting the Authority's operations have been developed.

6. Energy Management

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

7. Waste Reduction and Purchasing Policy

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

Waste reduction

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

Purchases

The Authority has increased purchase of:

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

Resource recovery

The Authority:

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

8. Use of Consultants

There were no consultants engaged by the Authority during 2009–10.

9. Payment Performance

Aged analysis at the end of each quarter

Quarter	Current (i.e. 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	1,186,113	33,255	24,750	0	0
December	711,369	16,410	956	0	0
March	689,087	4,670	0	0	0
June	775,706	10,816	0	0	0

Accounts paid on time within each quarter

Quarter	Total Accounts Paid on Time			Total Amount Paid \$
	Target %	Actual %	\$	
September	95	95.3	1,186,113	1,244,118
December	95	97.6	711,369	728,735
March	95	99.3	689,087	693,757
June	95	98.6	775,706	786,522

Commentary on Payment Performance

- Percentages of payments paid on time were generally in line with the Authority's target percentage.
- There were no instances of penalty interest paid or incurred during 2009–10.
- The terms of payment on suppliers are reviewed to ensure that sufficient and reasonable time is afforded the Authority for payment.

10. Credit Card Certification

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

11. Reviews

There were four internal audit reviews in 2009–10 and two external audit reviews.

12. Publicity and Promotion

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

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

Strategies include but are not limited to:

- regularly reviewing, updating and improving the Authority's website
- making available electronic and hard copy application forms, information bulletins and brochures
- participating in radio and television interviews, publishing newspaper articles and advertisements
- attending promotional events such as farm family gatherings and field days
- partnering agencies, including the NSW Rural Counselling Services, Catchment Management Authorities and the NSW Department of Industry and Investment to exchange information and provide improved service to clients.

13. Electronic Service Delivery

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

The Authority's website has been redesigned to comply with the NSW Government's *Website Style Directive* for improved

accessibility and information delivery to clients, and includes *Web Content Accessibility Guidelines* (WCAG) to improve accessibility for disabled users.

14. Freedom of Information (FOI)

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

The Act is administered in the NSW Rural Assistance Authority through FOI officers who have delegations to make determination for access or amendments to records.

On 1 July 2010, the *Freedom of Information Act 1989* is to be replaced by the *Government Information (Public Access) Act 2009* (the *GIPA Act*). This Act will introduce the 'right to information' system in New South Wales and aims to foster responsible and representative government that is open, accountable, fair and responsive.

The following information relates to applications received under the *Freedom of Information Act 1989* during 2009–10.

Applications

The Authority did not receive any new applications in 2009–10. There were no assessed costs for 2009–10.

15. Ombudsman

The Authority received one formal enquiry and one informal enquiry from the Ombudsman during 2009–10 in relation to schemes administered. Both matters have been resolved.

16. Privacy Management

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

17. Consumer Response

There were no formal complaints relating to client services in 2009–10. The mechanism for handling complaints from clients is detailed in the Guarantee of Service available on the Authority website: www.raa.nsw.gov.au.

18. Occupational Health and Safety

The Authority is committed to providing a safe and supportive working environment. The Occupational Health and Safety Committee continued to work closely with management in 2009–10 to achieve the Authority's objectives. Safety inspections continued during the year, with no major areas of concern being identified.

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

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

The Authority continued a review of its Occupational Health and Safety policies and procedures in 2009–10, with additional policies and procedures implemented following approval by the Authority's management and the Occupational Health and Safety Committee.

During the year the Authority had one worker's compensation claim.

19. Equal Employment Opportunity

Number of employees

Category	June 06	June 07	June 08	June 09	June 10
CHIEF & SENIOR EXECUTIVE SERVICES					
Level 1	1	1	1	1	1
Number filled by Women	0	0	0	0	0
ADMINISTRATIVE & CLERICAL					
Assessment Staff	18	18	19	13	11
Legal	2	1	2	1	1
Finance, Administration & Other	15	18	17	15	14
TOTAL	36	38	39	30	27

Representation of equal employment opportunity target groups within levels

	2008-09			2009-10		
	Total Staff	Women	NESB (1)	Total Staff	Women	NESB (1)
< \$38,144 (2)	0	0	0	0	0	0
\$38,144 - \$50,099 (3)	4	3	1	3	2	1
\$50,100 - \$56,008	5	4	0	5	4	0
\$56,009 - \$70,873	11	7	1	10	6	1
\$70,874 - \$91,652	5	2	0	4	1	0
\$91,653 - \$114,566	4	0	0	4	0	0
> \$114,566 (SES)	1	0	0	1	0	0
TOTAL	30	16	2	27	13	2

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

Trends in the representation of EEO groups

EEO Group	Benchmark or Target %	% of Total Staff			
		2007	2008	2009	2010
Women	50%	53%	56%	53%	48%
Aboriginal people and Torres Strait Islanders	2.6%	0	0	0	0
People whose first language was not English	19%	11%	13%	14%	10%
People with a disability	12%	3%	0	0	0
People with a disability requiring work-related adjustment	7%	0	0	0	0

Notes:

- Staff numbers are as at 30 June.
- Excludes casual staff.
- 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.
- The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

Representation and recruitment of aboriginal employees and employees with physical disabilities

	2008-09			2009-10		
	Total Staff	Aboriginal People	PWPD*	Total Staff	Aboriginal People	PWPD*
Total Employees	30	0	0	27	0	0
Recruited in the year	1	0	0	0	0	0

* People with a Physical Disability.

Flexible working arrangements

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

20. Disability Action Plan

The NSW Rural Assistance Authority is committed to meeting its obligations under State and Commonwealth anti-discrimination legislation. These laws require all organisations to eliminate discriminatory practices that prevent people with disabilities from having full and equal access to their services.

The Authority's Disability Action Plan reinforces the Authority's commitment to minimising, and where possible eliminating,

discriminatory practices. It establishes a framework for the Authority to provide services and plan programs to better meet the needs of people with disabilities.

A review of the Authority's Disability Action Plan was completed during 2009-10 in line with revised guidelines published by the NSW Department of Ageing, Disability and Home Care (DADHC). This review included both staff and community consultation with the only issues raised being for the Authority to ensure that physical access to the Authority's premises and services remains available to people (both clients and staff) with a disability.

The plan includes the following action areas:

- Action area 1** – Government agencies identify and remove barriers to services for people with a disability.
- Action area 2** – Government information is provided in a range of formats that are accessible to people with a disability.
- Action area 3** – Government buildings and facilities are physically accessible to people with a disability.
- Action area 4** – People with a disability are able to participate in public consultations and to apply for and participate in Government advisory boards and committees.
- Action area 5** – Employment participation of people with a disability in the NSW Public Sector is increased.

The plan has been lodged with and approved by DADHC.

21. Protected Disclosures

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

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

There were no protected disclosures in 2009-10.

22. Multicultural Policies and Service Program

During 2009 the Multicultural Policies and Services Program replaced the Ethnic Affairs Priorities Statement (EAPS). The Authority has reviewed the Multicultural Policies and Services Program and developed a Multicultural Planning Framework in line with the principles established in the *Community Relations Commission and Principles of Multiculturalism Act 2000*. These are:

Principle 1 – All individuals in New South Wales should have the greatest possible opportunity to contribute to and participate in all aspects of public life in which they may legally participate.

Principle 2 – All individuals and institutions should respect and make provision for the culture, language and religion of others within an Australian legal and institutional framework where English is the common language.

Principle 3 – All individuals should have the greatest possible opportunity to make use of and participate in relevant activities and programs provided or administered by the Government of New South Wales.



Principle 4 – All institutions of New South Wales should recognise the linguistic and cultural assets in the population of New South Wales as a valuable resource and promote this resource to maximise the development of the State (s.3 1 (a) – (d) Community Relations Commission and Principles of *Multiculturalism Act 2000*).

The plan is designed to show how the Authority:

- delivers services that are appropriate to a culturally diverse client group, as part of its core business
- puts in place flexible and inclusive consultation processes that are integrated into the Authority's planning
- provides training for staff on cultural diversity issues
- provides language services and information in ways that will reach all clients.

The Authority's Multicultural Planning Framework 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.
- Include contact details for the Interpreter Service on Authority forms, brochures and website.

Determine language skills available within the Authority's staff

- Survey staff to ascertain what languages are spoken.
- Liaise with Industry and Investment NSW (I&I NSW) 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, e.g. from Community Relations Commission, if required.

- Advise Rural Counsellors of the availability of the 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

- Include Multicultural Planning Framework in the staff management, recruitment (including induction), training and promotion processes.
- 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 Multicultural Planning Framework.

Ensure Multicultural Planning Framework initiatives are incorporated into the Authority's Corporate Plan

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

Review existing policies to ensure compliance with Multicultural Planning Framework

- Compliance with Multicultural Planning Framework in all policies.

Inclusion of Multicultural Planning Framework in Flexible Work Practices

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

The plan has been lodged with the NSW Community Relations Commission.

INDEX

A	Accounts paid on time	54	G	Grants (NDRA)	8
	Aged analysis at the end of each quarter	54		Guarantee of Service	4
	Appendices	51	H	History (of the Authority)	4
	Applications by type – Australian/State schemes	13	I	Independent auditor's report	18,42
	Applications by type – Other schemes	13		Induction (staff)	17
	Applications by type – State schemes	13		Industrial relations	17
	Applications for assistance summary	12		Internal audit and risk management	53
	Approval amounts – Australian/State schemes	13	J		
	Approval amounts – Other schemes	13	K		
	Approval amounts – State schemes	13	L	Legislation (Commonwealth)	52
	Approvals by type – Australian/State schemes	13		Legislation (State)	52
	Approvals by type – Other schemes	13		Letter to the Minister	1
	Approvals by type – State schemes	13		Loans (NDRA)	8
B	Balance sheet	21,45	M	Mission	4
	Board (the)	14		Multicultural Policies and Services Program	56
	Board meetings and attendance	15	N	Natural Disaster Relief Assistance (NDRA)	6
	Board members	14		Notes to the financial statements	26,47
	Budget	52	O	Objectives	4
	Business continuity plan	54		Occupational health and safety	55
	Business hours	11		Ombudsman	55
C	Certificate under Section 41C	19		Organisation structure	15
	Chair's report	3		Other schemes	13
	Charter	4	P	Payment performance	54
	Commentary on payment performance	54		Payment performance (statistics)	54
	Commonwealth legislation	52		Performance at a glance	5
	Commonwealth/State schemes	13		Primary producer (ECIRS)	9
	Complaints	55		Privacy management	55
	Consultants	54		Protected disclosures	56
	Consumer response	55		Publicity and promotion	54
	Contents	2		Purchases	54
	Corporate governance	14	Q		
	Corporate services	17	R	Recovery grants (NDRA)	8
	Credit card certification	54		Resource recovery	54
D	Disability action plan	56		Reviews	54
E	Education (staff)	17		Risk management	52
	Electronic service delivery	13		Rural Adjustment Scheme	9
	Employees (number of)	55			
	Energy management	54			
	Equal Employment Opportunity (EEO)	55			
	Equal Employment Opportunity (EEO) statistics	55			
	Exceptional Circumstances Interest Rate Subsidy (ECIRS)	9			
F	Farm Debt Mediation	11			
	Financial statements	20,44			
	Flexible working arrangements	56			
	Freedom of Information (FOI)	55			

ABBREVIATIONS



S	Safety inspections	52
	Senior officers	16
	Service delivery (Excellence in)	4
	Significant improvements in internal control	52
	Small business (ECIRS)	9
	Special Conservation Scheme	10
	Staff education and training	17
	Staff induction	17
	State legislation	52
	State schemes	13
	Statement by the Director General	43
	Statistics on applications and approvals	12
T	Training (staff)	17
U		
V	Vision	4
W	Waste reduction	54
	Waste reduction and purchasing policy	54
X		
Y		
Z		

ABBREVIATIONS

CLAS	Community Language Allowance Scheme
EAPS	Ethnic Affairs Priorities Statement
EC	Exceptional Circumstances
ECIRS	Exceptional Circumstances Interest Rate Subsidy
EEO	Equal Employment Opportunity
FOI	Freedom of Information
LGA	Local Government Area
NDRA	Natural Disaster Relief Assistance
ODEOPE	Office of the Director of Equal Opportunity in Public Employment
PWPD	People with a physical disability

© NSW Rural Assistance Authority 2010

ISSN 1837 - 3518

Produced by staff of the NSW Rural Assistance Authority

Images by Studio Commercial Photography, Gecko Photographics

and NSW Department of Industry and Investment

Edited by Blue Pen Editorial Services

Cover design and layout by byDesign Graphics & Print

Printed by Progress Printing West Pty Ltd

Production costs \$6,875 (excluding GST)

Published by the NSW Rural Assistance Authority, October 2010



Rural
Assistance
Authority