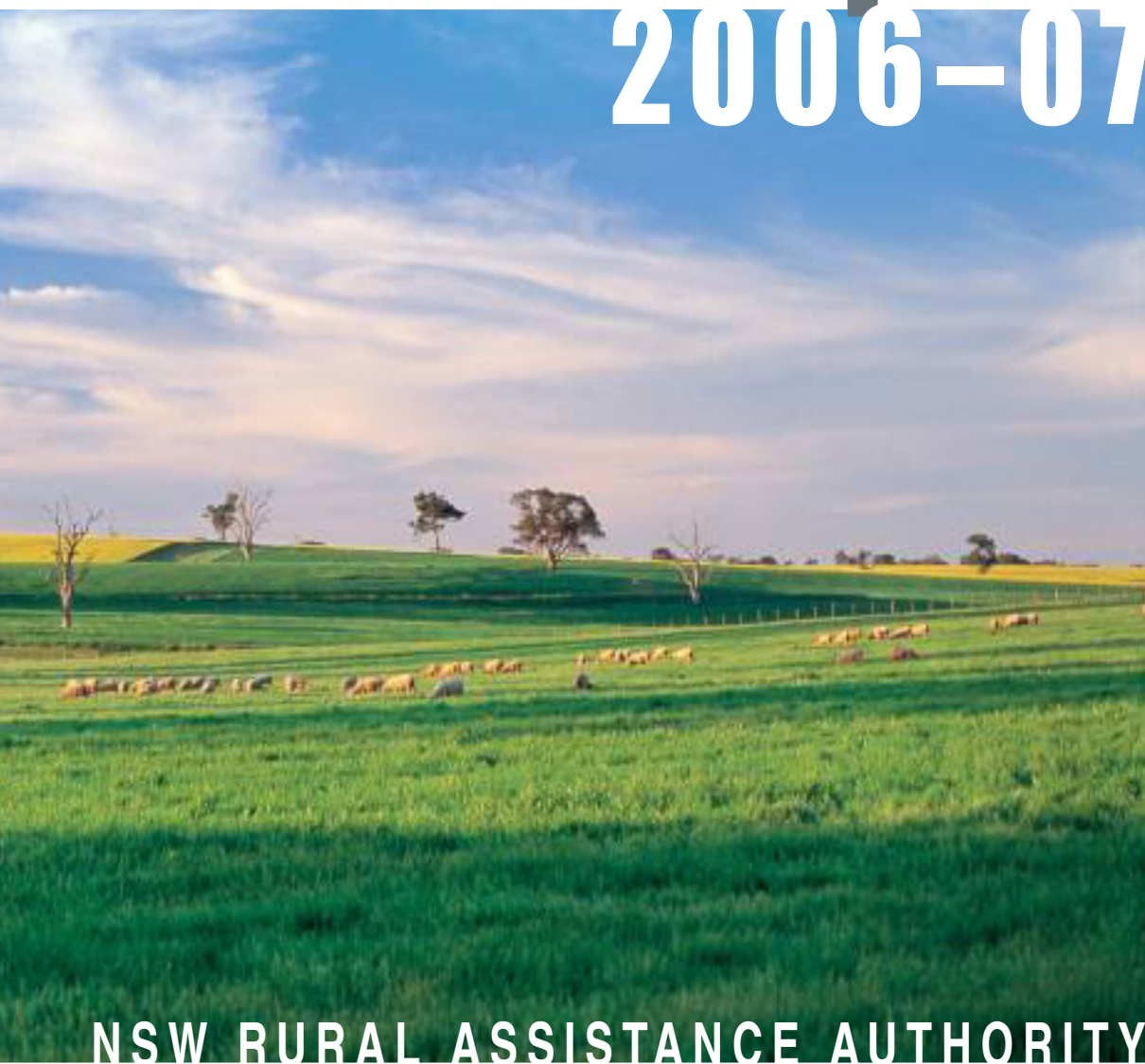




NSW
Rural Assistance
Authority

Annual Report 2006-07



NSW RURAL ASSISTANCE AUTHORITY



Annual report for the year ending 30 June 2007

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Business hours	8.30 am to 5.00 pm Monday to Friday

Annual Report

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

Dear Minister

We take pleasure in forwarding the 2006-07 Annual Report of the New South Wales Rural Assistance Authority for presentation to Parliament.

In order to comply with the requirements of the *Annual Reports (Statutory Bodies) Act 1984* and Division 3, section 10 of the *Rural Assistance Act 1989* an extension of time of up to 2 months was sought, and was granted by the NSW Treasurer for submission of the report for the following reasons:

- The audit of the Authority's financial reports did not commence until early October 2007. This is 2 weeks later than the commencement date for 2005-06 and some 4 weeks later than 2004-05.
- The Authority is required to have three sets of financial reports for 2006-07 audited, being the NSW Rural Assistance Authority, the Office of the Rural Assistance Authority and the OJD Transaction Based Contribution Scheme. Prior to the 2005-06 financial year only reports for the NSW Rural Assistance Authority were produced and audited.
- The adoption of the Australian Equivalents to International Financial Reporting Standards (AEIFRS) which was expected to impact on the timing of the audit and production of the annual report for 2006-07.

The above factors have delayed the submission of the Authority's Annual Report.

Yours sincerely



Fran Rowe
Chair



Alan Coutts
Chief Executive

Letter to Minister

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As drought continued to challenge many areas of the state, the NSW Rural Assistance Authority (the Authority) remained at the forefront supporting agricultural and other small businesses in rural and regional areas.

Acknowledging the relentless drought pressure, in October 2006 the Australian Government extended Exceptional Circumstances (EC) support in all EC declared areas to March 2008 and reintroduced assistance in six formerly declared EC areas. In early 2007 the Hunter – Maitland and Central Mudgee – Merriwa areas were declared as suffering the impact of an Exceptional Circumstances event and in November small business operators were included as eligible for Exceptional Circumstances support.

The demand for support was such that in 2006–07 the Authority received over 10 000 applications for EC assistance from rural producers and over 640 applications from small business operators. Of the total applications received, the Authority approved 80 per cent – representing \$241.5 million in total assistance for primary producers and \$11.1 million for small business operators.

During January 2007 the NSW Government announced the Extraordinary Assistance Program to help struggling irrigators in the Murray and Murrumbidgee valleys. The Authority received over 1 100 applications under the program, approving \$19.11 million in assistance for eligible irrigators.

The Special Conservation Scheme is an incentive-based scheme promoting improved land management practices in NSW. It provides affordable finance to farmers for soil conservation works, the planting of perennial species such as lucerne and saltbush, construction of feed storage facilities, and the capping and piping of artesian bores. In 2006–07 the Authority received over 550 applications under the Scheme, approving 319 applications with a total value of \$12.8 million.

A review of this state-funded scheme was completed during the reporting period. More than 800 farmers and other interested stakeholders were interviewed, including successful applicants as well as farmers without previous Authority contact. The Authority Board considered recommendations arising from the review and is currently awaiting approval on changes to the Scheme from the NSW Government.

Natural Disaster Relief Assistance continued to provide eligible primary producers and small businesses with low-interest rate loans to aid recovery from declared natural disasters such as bushfire, flood, and storm damage. The Authority received 35 applications for assistance in 2006–07 and approved 31 to a total of \$2.9 million. Applications followed bushfires in areas such as the Blue Mountains during September and October and storms in the Cabonne and Bilpin areas in February. The Authority also received applications after the flooding and storms that affected the Hunter and Central Coast in June.

During the year the Authority and the Lachlan Catchment Management Authority formed a strategic alliance to provide farmers in the Lachlan catchment area with improved access to information and government services. The alliance allows referral of clients between agencies so that clients can access complementary financial assistance for conservation works. The Authority has now invited catchment management authorities throughout NSW to consider similar alliances targeted at providing rural and regional NSW with coordinated advice and assistance for managing on-farm natural resource projects.

Assistance to young people aged between 18 and 35 to commence, develop and return to agriculture or agribusiness became a reality with the introduction of the AgStart Scheme. The Authority received over 170 applications in the first two funding rounds and approved over \$475 000 in assistance, including reimbursement of stamp duty, capital improvements/acquisitions and training.

Administration of all the above schemes combined with the Authority's involvement in the Ovine Johne's Disease Transaction-based Contribution Scheme, the Brigalow Assistance Package and the Forging Partnerships Scheme placed great pressure on our resources. I must therefore congratulate Authority staff for their dedication and professionalism in managing increased demand and rising to the many challenges of 2006–07.

I also take this opportunity to farewell Mick Veitch, who resigned from the board prior to his election to the NSW Legislative Council in the March 2007. On behalf of the board I extend Mick our best wishes and express appreciation for his valuable contribution.

Finally, I wish to thank all board members for their continuing commitment to the Authority. The coming year will no doubt require responses to both old and new challenges but the expertise, skills and commitment of the board will again be invaluable in helping to ensure the efficient and effective operation of the NSW Rural Assistance Authority.



Fran Rowe
Chair

Chair's Report

INTRODUCING THE NSW RURAL ASSISTANCE AUTHORITY

A brief history

The NSW Rural Assistance Authority traces its history back to the creation in 1932 of the Farmers Relief Board, 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 State Bank of NSW.

The Authority operated from Sydney in its various guises until late 1995 when it relocated 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. The Authority commenced operations in Orange on 1 February 1996.

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 both Commonwealth and State-funded. 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 business increase their ability to resist and overcome financial challenges
- NSW farmers and agricultural industries utilise improved natural resource management techniques.

Excellence in services delivery through innovative thinking

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

Guarantee of Service

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

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

To achieve this standard the Authority requests that:

- all staff are treated with courtesy and respect
- all the necessary information is provided by clients to enable an accurate decision to be made
- the Authority be notified if assistance is no longer required.

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

Introducing the RAA

PERFORMANCE UNDER OBJECTIVES

Performance at a glance

Scheme	Applications received	Applications approved	Assistance \$
Natural Disaster Relief Assistance - Loans	35	12	2 906 580
Rural Adjustment Scheme: primary producers	10 183	7 614	241 476 349
small businesses	640	351	11 124 300
Special Conservation Scheme	556	319	12 828 524
AgStart	118	55	> 475 000
Extraordinary assistance package for Murray & Murrumbidgee Valley irrigators	1 164	986	19 136 000

A total of 62 new cases commenced under the *Farm Debt Mediation Act 1994*.

Objective 1: 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.

Natural Disaster Relief Assistance

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

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

In 2006–07 the Authority assisted applicants who were affected by natural disasters such as storms, bushfires and floods. These events included the bushfires of late 2006 and early 2007, storms in Armidale and the Central West and storms and flooding in the Hunter and Central Coast regions.

Loans

Loans are limited to the minimum amount required to cover normal farming and business activities, replace losses and make repairs not covered by insurance. The maximum loan is \$130 000. There is an interest and repayment-free period of two years followed by a maximum repayment term of 10 years. The interest rate for Natural Disaster Relief Assistance loans at 30 June 2007 was 2.85 per cent.

In 2006–07 the Authority received 35 Natural Disaster Relief Assistance applications and approved \$2 906 580 in loans. See the Statistics on Applications and Approvals chapter in this report for more details.

Recovery Grants (*Community Recovery Package*)

The Prime Minister and the NSW Premier announced additional assistance measures in June 2007 to provide immediate relief to primary producers and small businesses for clean-up and restoration costs in the aftermath of extreme natural disasters. These measures include jointly funded recovery grants of up to \$15 000 to eligible primary producers and small businesses in addition to the loans and subsidies offered in the standard package.

Financial assistance is offered in two tiers. The first tier – a grant of up to \$5 000, is offered with evidence that damage had been sustained but without proof of the expenditure incurred, that is quotes, invoices or receipts. The second tier, which requires documentation to confirm costs for clean-up and restoration, offers a further \$10 000 in assistance.

As a result of the devastating floods and storms in the Hunter and Central Coast regions during June 2007, recovery grants were made available in the local government areas of Liverpool Plains, Upper Hunter, Gloucester, Dungog, Singleton, Muswellbrook, Maitland, Lake Macquarie, Wyong, Port Stephens, Newcastle, Gosford, Cessnock and Hawkesbury.

Performance

Objective 2: NSW farmers and farming related small business increasing their ability to resist and overcome financial challenges.

Rural Adjustment Scheme – Exceptional Circumstances Interest Rate Subsidy

From time to time special assistance is provided under the Exceptional Circumstances provisions of the Rural Adjustment Scheme. Assistance is available to eligible farmers and farming-related small business to assist them in overcoming difficulties due to either industry downturns or their location in areas suffering the effects of specific exceptional circumstances. Activation of Exceptional Circumstances assistance requires specific approval from the Australian Government.

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

The Australian Government has approved extended recovery periods for most areas of the state. The extensions recognise the ongoing severe drought conditions and allow eligible primary producers and small businesses to apply for continued Exceptional Circumstances support.

Primary producers

The 2006–07 financial year saw unprecedented demand for Exceptional Circumstances assistance with a total of 10 183 applications received and \$241 476 349 in assistance approved. More details are available in the Statistics on Applications and Approvals chapter in this report.

The comparisons for the previous two years show:

- 2005–06 – 5 649 applications and \$155 091 210 in assistance approved
- 2004–05 – 3 897 applications and \$67 920 330 in assistance approved.

Small business

In November 2006 the Australian Government introduced Exceptional Circumstances Interest Rate Subsidy assistance for

small businesses in recognition of the extreme hardship that small rural businesses (those with less than 100 employees) were facing due to the drought and their direct reliance on primary producers. From 7 November 2006 to 30 June 2007 the Authority received 640 applications and approved \$11 124 300 in assistance. See the Statistics on Applications and Approvals chapter for more details.

Objective 3: NSW farmers and agricultural industries utilising improved natural resource management techniques.

Special Conservation Scheme

The Special Conservation Scheme is an incentive-based scheme aimed at promoting improved land management practices in:

- soil conservation (including control of woody weeds)
- stock and domestic water supply
- upgrading of existing irrigation systems
- cap and piping of artesian bores
- tile drainage
- serrated tussock control
- livestock effluent control
- flying fox exclusion netting
- de-silting of dams
- planting of perennial species
- construction of silos and haystacks 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 2007 was 5.0 per cent. Loans are limited to 90 per cent of the GST-exclusive cost of any proposed works to a total maximum of \$100 000. A maximum repayment term of 10 years is available with half yearly repayments in line with the client's cash flow.

The Special Conservation Scheme is seen as an effective means of improving the resource base on farms as demonstrated by existing creditors allowing the Authority to take a charge over the farm property that ranks ahead of their security.

In 2006–07 the Authority received 556 Special Conservation Scheme applications and approved \$12 828 524 in assistance. For more details see the following Statistics on Applications and Approvals chapter.

STATISTICS ON APPLICATIONS AND APPROVALS

APPLICATIONS FOR ASSISTANCE - SUMMARY 2006–07

	PENDING 1/7/06	RECEIVED (Number)	WITHDRAWN (Number)	DECLINED (Number)	APPROVED (Number)	\$ VALUE Approved	PENDING 30/06/07
SPECIAL CONSERVATION SCHEME							
Tile Drainage	0	0	0	0	0	0	0
Soil Conservation	2	7	3	1	4	202 500	1
Irrigation	7	51	9	2	37	3 010 000	10
Stock & Domestic Water	28	365	111	26	200	7 570 147	56
Serrated Tussock	0	1	0	0	0	0	1
Effluent Control	1	1	1	0	1	45 000	0
Plant Perennial Species	2	7	0	2	6	235 650	1
De-Silting	5	75	20	8	46	787 327	6
Feed Storage	6	48	11	10	25	977,900	8
Flying Fox	0	1	0	0	0	0	1
Sub Total	51	556	155	49	319	12 828 524	84
NATURAL DISASTER RELIEF ASSISTANCE - LOAN							
Bushfire	11	18	2	7	19	2 071 580	1
Flood	0	0	0	0	0	0	0
Storm	13	17	1	11	12	835 000	6
Small Business	1	0	0	1	0	0	0
Sub Total	25	35	3	19	31	2 906 580	7
EXCEPTIONAL CIRCUMSTANCES INTEREST RATE SUBSIDY - PRIMARY PRODUCER							
Initial Period	5	51	0	8	26	20 496	22
Recovery Period	29	577	1	62	508	19 978 160	35
2nd Recovery Period	159	1 441	13	166	1 320	43 209 989	101
3rd Recovery Period	190	5 759	32	567	4 597	129 300 290	753
4th Recovery Period	0	2 355	15	96	1 163	48 455 020	1 081
Sub Total	383	10 183	61	899	7 614	241 476 349	1 992
EXCEPTIONAL CIRCUMSTANCES INTEREST RATE SUBSIDY - SMALL BUSINESS							
Initial Period	0	640	3	121	351	11 124 300	165
Recovery Period	0	0	0	0	0	0	0
Sub Total	0	640	3	121	351	11 124 300	165
GRAND TOTAL	459	11 414	222	1 088	8 315	268 335 753	2 248

Statistics

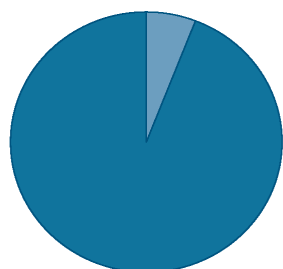
APPLICATIONS REFUSED - SUMMARY 2006-07

Reason For Refusal	Special Conservation Scheme	Natural Disaster Relief Assistance Loans	Exceptional Circumstances Interest Rate Subsidy - Primary Producer	Exceptional Circumstances Interest Rate Subsidy - Small Business	TOTAL
Majority of income off farm	16	1	195	0	212
Majority of income is non-business	0	0	0	4	4
No need for assistance	0	8	476	66	550
Small business - farm activities <70%	0	0	0	30	30
Not in small business for 2 years	0	0	0	7	7
Small business has more than 20 employees	0	0	0	0	0
Refusal by other lenders	3	1	2	0	6
Commercial finance available	0	1	0	0	1
Not in working occupation	2	0	3	0	5
No prospects	0	0	23	0	23
Does not meet industry requirements	0	0	2	0	2
Debt level too high	0	0	3	0	3
Incomplete application	0	0	47	5	52
Other Assistance Granted	0	0	22	3	25
Unacceptable security	1	3	0	0	4
Cropping > 50%	0	0	10	0	10
Not dryland livestock/dairy	0	0	3	0	3
Inability to service	2	4	0	0	6
Not of moderate means	19	0	0	0	19
Ineligible purpose/amount	6	0	0	0	6
Application out of time	0	1	0	0	1
Productivity based	0	0	0	0	0
No funding available	0	0	0	0	0
Not sold non-essential assets	0	0	93	6	99
Purchase of capital items	0	0	9	0	9
Losses not a Natural Disaster	0	0	0	0	0
Scheme Closed	0	0	6	0	6
Out of drought area	0	0	5	0	5
Transfer to another scheme	0	0	0	0	0
TOTAL	49	19	899	121	1 088

Statistics

AUSTRALIAN GOVERNMENT/STATE SCHEMES

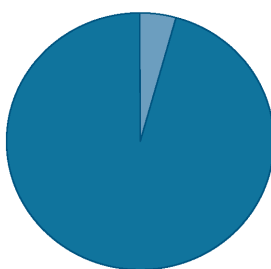
APPLICATION BY TYPE 2006–07



■ 640 (6%) Exceptional Circumstances - Small Business
■ 10 183 (94%) Exceptional Circumstances - Primary Producer

Total No. Applications 10 823

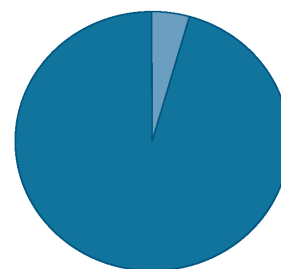
APPROVALS BY TYPE 2006–07



■ 351 (4.5%) Exceptional Circumstances - Small Business
■ 7 614 (95.5%) Exceptional Circumstances - Primary Producer

Total No. Approved 7 965

APPROVAL AMOUNTS 2006–07

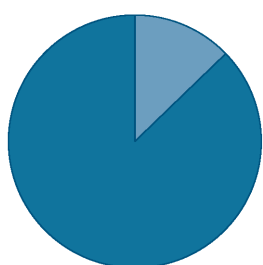


■ \$11 124 300 (4.4%) Exceptional Circumstances - Small Business
■ \$241 476 349 (95.6%) Exceptional Circumstances - Primary Producer

Total Approved \$252 600 649

OTHER SCHEMES

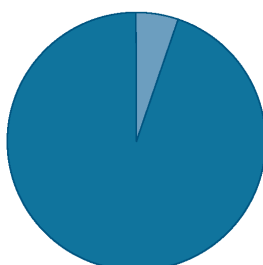
APPLICATION BY TYPE 2006–07



■ 171 (12.8%) AgStart
■ 1 164 (87.2%) Extraordinary Assistance Package (EAP)

Total No. Applications 1 335

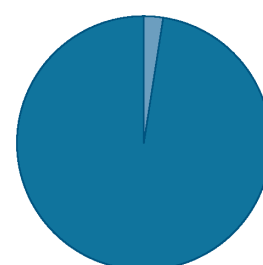
APPROVALS BY TYPE 2006–07



■ 55 (5.3%) AgStart
■ 986 (94.7%) Extraordinary Assistance Package (EAP)

Total No. Approved 1 041

APPROVAL AMOUNTS 2006–07

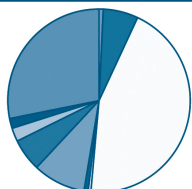


■ \$475 000 (2.4%) AgStart
■ \$19 136 000 (97.6%) Extraordinary Assistance Program (EAP)

Total Approved \$19 611 000

Schemes

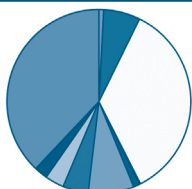
APPLICATION BY TYPE 2006–07



■ 7 (1%) Soil Conservation
■ 51 (9%) Irrigation
□ 365 (62%) Stock & Domestic Water
□ 3 (1%) Serr.Tussock. Eff. Cntrl. Flying Fox
■ 7 (1%) Plant Perennial Species
■ 75 (13%) De-Silting Dams & Tanks
■ 48 (8%) Feed Storage
□ 18 (3%) Bushfire
■ 17 (3%) Storm
■ 230 (28%) Recovery Grants

Total Applications 821

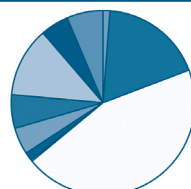
APPROVALS BY TYPE 2006–07



■ 4 (1%) Soil Conservation
■ 37 (11%) Irrigation
□ 200 (57%) Stock & Domestic Water
□ 1 (<1%) Serr.Tussock. Eff. Cntrl. Flying Fox
■ 6 (2%) Plant Perennial Species
■ 46 (13%) De-Silting Dams & Tanks
■ 25 (7%) Feed Storage
□ 19 (5%) Bushfire
■ 12 (3%) Storm
■ 216 (38%) Recovery Grants

Total Approved 556

APPROVAL AMOUNTS 2006–07



■ \$202 500 (1%) Soil Conservation
■ \$3 010 000 (19%) Irrigation
□ \$7 5750 147 (48%) Stock & Domestic Water
□ \$45 000 (<1%) Serr.Tussock. Eff. Cntrl. Flying Fox
■ \$235 650 (1%) Plant perennial species
■ \$787 327 (5%) De-Silting Dams & Tanks
■ \$977 900 (6%) Feed Storage
□ \$2 071 580 (13%) Bushfire
■ \$835 000 (5%) Storm
■ \$1 058 989 (6%) Recovery Grants

Total Approved \$16 794 093

FARM DEBT MEDIATION

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.

During the year 62 new cases commenced. While the number of new cases was marginally up on the previous year, the continuing low level of activity is pleasing considering the impact of the current drought.

Since commencement of the Act in February 1995, the Authority has issued a total of 1 951 mediation kits in relation to new cases commenced. Over the same period 1 027 mediations have been completed, with the parties reaching agreement in 906 cases, an agreement rate of 88 per cent. A total of 1 703 cases have been finalised and a Section 11 Certificate issued.

OTHER SCHEMES

AgStart

The Minister for Primary Industries, the Hon. Ian Macdonald MLC unveiled the details of the AgStart Scheme in February 2007. The Scheme, which is being driven by the agriculture industry, focuses on supporting young people aged 18 to 35 via grants that enable them to progress their careers in agriculture and agribusiness. Assistance measures include reimbursement of stamp duty, short course training, capital improvements/purchases and succession planning.

When Round 1 funding closed on 31 March 2007, the Authority had received 118 applications for AgStart assistance, 55 of which were approved to a total of over \$475 000.

At the close of Round 2 funding on 30 June 2007, 53 applications for assistance had been received. These are currently being assessed.

Extraordinary Assistance Package for Irrigators in the Murray and Murrumbidgee Valleys

The NSW Government announced this \$20 million assistance package in January 2007. The Extraordinary Assistance Package (EAP) was directed towards southern irrigators hardest hit by the drought and necessary water cutbacks in late 2006. The Authority is administering the package for and on behalf of the former Department of Natural Resources.

The EAP scheme featured a two-stage assessment and payment process:

1. a payment of \$100 per megalitre of 'suspended' water to eligible applicants (to a ceiling limit of \$15 million)
2. payments for other identified specific losses (the ceiling to be \$20 million less payments in (1) above).

At the March 2007 closing date, the Authority had received 1 164 applications. Of these, 1 048 were from irrigators in the Murray valley and 116 from irrigators in the Murrumbidgee valley. The Authority issued approval offers to 986 successful applicants for a total of \$19 136 000. Of this amount \$17 951 000 has been taken up and paid to successful applicants.

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 and the remaining two members are appointed to represent farmers.

The part-time Board members with relevant qualifications and experience are:

Ms Fran Rowe (B Econs, Dip Ed) is Chairperson of the Board and a primary producer of grain and sheep at Tottenham. She is a Rural Financial Counsellor with the Central West Rural Financial Counselling Service and a member of the Agricultural Finance Forum. Previous service to agriculture includes Co-chair of the NSW Rural Women's Network, six years as a member of the Rural Adjustment Scheme Advisory Council and service on the Agriculture and Food Policy Reference Group.

Dr. Rae Cooper (BA Hons NSW PhD) is a lecturer and researcher in the Faculty of Economics and Business at the University of Sydney. She is a member of the NSW Food Authority's Seafood Industry Conference and between 2002 and 2005 chaired the NSW Working Women's Centre.

Mr Michael Veitch worked in the disability employment sector for 14 years and has served as Chair of ACE National, the Peak Body for Australia's Disability Employment Network. Michael is a local government councillor and has a particular interest in corporate governance and internal auditing. He is a member of the Australian Institute of Company Directors and the Australian Institute of Management. Mr Veitch resigned as a board member prior to the March 2007 state election.

Ms Kate Woodward (BRurSc Hons) is a breeder of Brown Swiss dairy cattle and produces high quality gourmet cheese under the Hunter Belle Cheese label. She also works as an agricultural and dairy management consultant, developing genetics and marketing plans for stud cattle. Ms Woodward is a member of the AgStart Ministerial Advisory Board, the NSW Dairy

Industry Conference, a trustee of the Coal and Allied Community Trust and was a runner-up in the 2005 RIRDC Rural Women's Awards.

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

Mr Robert Gledhill is a lifelong farmer in the Boorowa area and is a former mayor of Boorowa Council. He chairs the Lachlan Catchment Management Authority and is a member of the executive of the Shire's Association.

Mr Mal Peters is a director of the Australian Farm Institute and the Border Rivers Catchment Management Authority. Mr Peters is also a member of the Ministerial Advisory Group on Natural Resource Management, a member of the Department of Primary Industries Scientific Advisory Body and an Executive Director of the NSW Farmers Association.

The full-time Chief Executive of the Authority is:

Alan Coutts (B Com (Econ) Grad Dip Ed) was appointed as Chief Executive of the NSW Rural Assistance Authority in March 2006. He is Deputy Director-General, Primary Industries Mineral Resources with the NSW Department of Primary Industries and Chairman of the Mine Subsidence Board. Mr Coutts has held appointments as Director-General of the NSW Department of Mineral Resources and Director-General of the NSW Department of Transport. Mr Coutts was reappointed as Chief Executive of the Authority by the Minister for Primary Industries for a further period of five years on 1 May 2007.



NSW Rural Assistance Authority Board:

Standing (left to right): Kate Woodward, Michael Veitch, Rae Cooper and Mal Peters.

Seated (left to right): Fran Rowe (Chair), Alan Coutts and Robert Gledhill.

Corporate

Board meetings and attendance –

During 2006–07 the Board held meetings as follows:

5 September 2006

NSW Department of Primary Industries, Orange

4 December 2006

NSW Department of Primary Industries, Sydney

9 March 2007

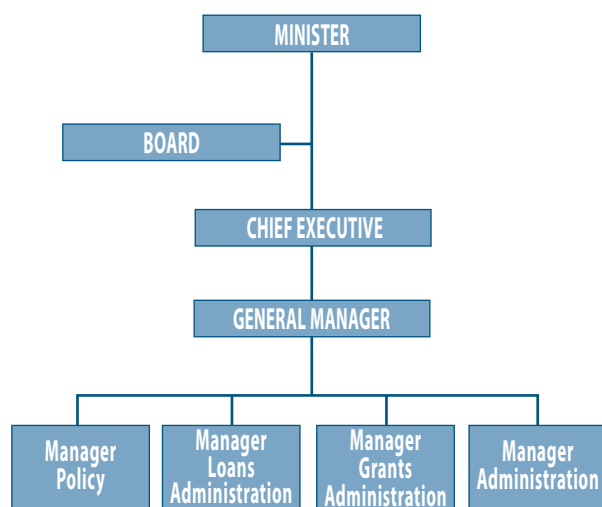
NSW Department of Primary Industries, Sydney

12 June 2007

NSW Department of Primary Industries, Sydney

BOARD ATTENDANCE	MEETINGS ELIGIBLE TO ATTEND	MEETINGS ATTENDED
Fran Rowe	4	4
Dr Rae Cooper	4	4
Alan Coutts	4	2
Robert Gledhill	4	4
Mal Peters	4	3
Michael Veitch	2	2
Kate Woodward	4	3

Organisation Structure



Senior Officers



Mr Alan Coutts, BCom (Econ), Grad Dip Ed Chief Executive

Mr Coutts was appointed Chief Executive of the Authority in 2006 and is also the Deputy Director-General, Primary Industries Mineral Resources of the NSW Department of Primary Industries. He was recently reappointed as Chief Executive of the Authority for a further period of five years.

Mr Stephen J Griffith, B AgEc (Honours), 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 implements the Authority's policies and objectives to ensure 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.



... Senior Officers continued

... Senior Officers continued



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 Exceptional Circumstances Interest Rate Subsidy Scheme (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 Helen McNeil,
BA/LLB, Grad Dip Legal Practice, M Law
Manager Policy

Ms McNeil joined the Authority in 2006 after working as a legal officer with the NSW Department of Primary Industries for six years. Ms McNeil 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 McNeil also oversees the Farm Debt Mediation Unit and manages the Board secretariat.



Internal committees

Appeals Committee

Steve Griffith – General Manager

Plus two of the following personnel: senior/experienced officers from within the Authority, who were not directly involved in the original decision making process, that is the subject of the appeal.

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

Occupational Health and Safety Committee

Chris Arrow Employee representative, Chair
Bruce Glover Employee representative
Terese Grant Employee representative
Michael Pickett Employer representative

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

Internal Audit Committee

Michael Pickett Chair
Michael Veitch Board representative
Ian Hallett Manager Audit and Shared Services,
NSW Department of Primary Industries

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

Joint Consultative Committee

Robyn McCahon Chairperson and employee representative
Susan Nott Employee representative
Kevin Ekerick Employer representative
Michael Pickett Employer representative

Function: Consult on industrial matters affecting the Authority.

Finance Committee

Steve Griffith General Manager
Kevin Ekerick Acting Director Client Services
Michael Pickett Manager Administration

Function: Consult on financial matters affecting the Authority.

Grievance Committee

Manager Policy Grievance Manager
Manager Administration Grievance Receiver
Manager Grants Administration Grievance Receiver
Mrs Terese Grant Grievance Receiver

Function: Receive and deal with internal grievances.

CORPORATE SERVICES AND HUMAN RESOURCES

Corporate services

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

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

Staff education and training

The Authority continued its staff training program in 2006–07 with a view to improving organisational efficiency. Assessment of training requirements continued through consultation and needs analysis.

The Authority encouraged staff to undertake tertiary education and allowed staff enrolled in external business-related courses to take study leave in accordance with policy.

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 were advised of their conditions of employment, policies operating within the Authority and how and where to get advice and support when needed, particularly in the areas of grievance procedures, 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.

Corporate