

NSW Rural Assistance Authority Annual Report 2014 - 2015



Rural
Assistance
Authority

Annual report for the year ending 30 June 2015

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	8.30 am to 4.30 pm Monday to Friday

This annual report summarises the activities and performance of the New South Wales Rural Assistance Authority (RAA) for 2014–15. This and earlier annual reports are available on the RAA website: www.raa.nsw.gov.au. Copies are available on request from the RAA.

No external costs have been incurred in the production of this annual report

Our Reference: ROUT15/107
Telephone (Direct): 02 6391 3023

The Hon. Niall Blair, MLC
Minister for Primary Industries
Minister for Lands and Water
52 Martin Place
SYDNEY NSW 2000

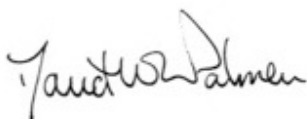
Dear Minister

We take pleasure in presenting on behalf of the members of the Board, the 2014-15 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 production 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



David Palmer
Chair



Michael Bullen
Chief Executive

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CHAIR'S REPORT

The NSW Rural Assistance Authority (RAA) remains a key delivery agent for government support for primary producers, assisting producers in NSW prepare for and manage the many challenges that farming in Australia can bring.

Drought conditions across many areas of NSW, particularly in the North-West of the State continue to challenge our primary producers and the RAA has played an active role in the delivery of a range of assistance measures which are funded by both the NSW and Australian Governments.

These measures include the Farm Innovation Fund, Emergency Water Infrastructure Rebate (EWIR) and Transport Assistance schemes as well as the Australian Government funded concessional loans schemes.

Support for farmers suffering from drought was boosted on 3 February 2015 with the announcement of the NSW Drought Strategy. This innovative strategy provides guaranteed funding of more than \$300 million over the next five years to support NSW farmers, with the centrepiece of the strategy being the Farm Innovation Fund and the proposed Vocational Training and Farm Business Planning Scholarships.

The RAA is working with the NSW Department of Primary Industries (NSW DPI) in developing the training package and it is expected that details will be made available in the coming months. Work also continues with the Bureau of Meteorology (BoM) to develop an enhanced network of weather stations across the State which is expected to give NSW the best weather technology anywhere in Australia.

The Farm Innovation Fund, which was introduced during 2013-14 and replaced the former Special Conservation Scheme has proven to be a resounding success with the RAA approving more than 300 applications and \$43 million in loans to help farmers in NSW complete permanent infrastructure works that will allow them to better manage future challenges.

This program provides assistance to producers completing permanent improvement on farm and 2014-15 has seen the RAA process 75 applications for drought preparedness activities such as bores, dams and hay sheds, eight applications for environmental works such as solar pump conversions and a further 237 applications for farm infrastructure such as sheds and silos.

A review into the introduction of the Farm Innovation Fund has also been completed with recommendations included in the 2015 NSW Drought Strategy support package.

Program funding for the EWIR was exhausted during 2013-14, applications for this scheme closed in early July 2014. Processing of the applications received until the closing date was completed during the year with 1,793 applications and \$20.1 million in assistance made available to drought affected farmers to complete much needed water infrastructure works on their properties.

Additional funding for the EWIR was announced by the Australian Government in March 2015 with a further \$3 million made available to supplement the NSW Government contribution to the Scheme and to support those farmers who did not receive the Australian Government contribution when the Scheme became oversubscribed in 2013-14. RAA staff have reviewed all applications approved under the EWIR with 1,292 farmers receiving additional payments.

In January 2015 the Acting Premier announced the reintroduction of the very popular EWIR with funding of \$20 million made available. This additional funding builds on the more than \$35 million approved under the original scheme with the RAA processing more than 480 applications and providing a further \$3.4 million to farmers under the revised scheme during 2014-15.

The RAA continues to administer Australian Government assistance measures in the form of the concessional loans schemes. During the year under review the RAA approved \$7.4 million in Farm Finance, \$62.2 million in Drought and \$2.2 million Drought Recovery Concessional loans.

Applications for Farm Finance Concessional loans closed on 30 June 2015, however additional funding for the drought specific concessional loans was announced by the Australian Government on 9 May 2015. These loans are providing much needed debt relief and funding for drought affected farmers within NSW with details of revised eligibility criteria to be announced and the additional funding awaited.

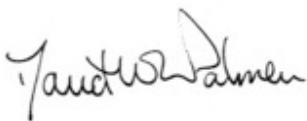
During 2014-15 there were 13 Natural Disaster declarations in NSW with these events seeing the RAA process 21 applications for Natural Disaster Relief Assistance (NDRA) loans and approve more than \$671,000 to help affected primary producers and small businesses recover from these devastating events.

Recovery Grants, under Category 'C' of the Natural Disaster Relief and Recovery Arrangements, were also made available to affected primary producers following the East Coast Storms and Floods in April 2015 with applications for the Recovery Grants opening on 15 June 2015. As at 30 June 2015 the RAA had received 21 applications and approved more than \$87,000 in assistance.

The RAA also continues to administer the *Farm Debt Mediation Act 1994* and I am pleased to note that demand for this scheme has again decreased with 97 new cases commenced during the last year, being 23 fewer cases than 2013-14. This scheme provides a structured negotiation process via neutral and independent mediators to primary producers in financial difficulty with mediation required before a creditor can take possession of property or other enforcement action under a farm mortgage. It is also pleasing to note that the NSW Farm Debt Mediation scheme is being considered as part of the Australian Government's discussions on implementing a nationally consistent approach to Farm Debt Mediation.

It has been my privilege to work with the members of the RAA Board. I would like to pay tribute to the dedication, professionalism and shared vision for the RAA of my fellow Board members and I look forward to another busy and productive year.

Finally, and on behalf of the Board, I would pay special tribute to the tireless and dedicated work from the management and staff who continue to serve and meet the needs of the rural industries of NSW. The operating environment continues to be complex and challenging but the professionalism of staff continues to deliver real service to the clients of the Authority.



David Palmer
Chair

INTRODUCTION TO THE RURAL ASSISTANCE AUTHORITY

The NSW Rural Assistance Authority (the RAA) 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*, and operated from Sydney in its various guises until early 1997 when it relocated to Orange in central western NSW.

Today, the focal point for the RAA is the challenges faced by rural NSW and the need to play an increasing and more proactive role in contributing to farming and rural policies. As such, the RAA continues to play an important role in aiding as a catalyst for change.

Our focus is to help primary producers in NSW to maximise long-term profitability and competitiveness through improved primary production productivity and the sustainable use of natural resources by administering proactive programs.

In broad terms the function of the RAA is to administer a wide range of flexible assistance measures to the rural sector through programs that encourage self-reliance and management of change.

The RAA has widespread experience and expertise in the assessment and administration of financial assistance schemes to primary producers and small business operators in the state on behalf of both the NSW and Australian governments.

While the rural sector is its core client, the RAA also aids business enterprises anywhere in the State who have suffered loss or damage to recover from natural disaster events.

Charter

The function of the RAA 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'.

Vision

Rural industries and businesses capable of adapting successfully to changing circumstances.

Mission

To provide financial assistance to help primary producers maximise profitability and competitiveness.

CUSTOMER SERVICE

Providing quality customer service through accessible methods utilising the latest available technologies.

Service Delivery

The RAA recognises the importance of excellence in customer service and is committed to improving the quality of the services it offers.

The RAA 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. An example of this is the more than 56,900 visits to the RAA website during 2014-15 with 52 per cent of visitors to the site being new visitors.

During the past year RAA staff attended major field days such as the AgQuip Field Days, the Henty Farm Machinery Field Days and the Australian National Field Days to answer client enquiries and to promote RAA products and services.

RAA staff also assisted with the Disaster Recovery Centres at Dungog and Raymond Terrace following the east Coast Storms and Floods. This included answering enquiries, assisting with application forms and visiting affected farm owners and business operators to discuss available assistance.

The RAA'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.

As evidence of this approach the RAA processed 77.3 per cent of applications during 2014-15 within expected time frames.

In pursuing excellence in service delivery the RAA 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 4.30 pm Monday to Friday, excluding public holidays.

To achieve high service standards the RAA 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 RAA if assistance is no longer required.

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

Consumer Response

As a means of gathering customer feedback and in response to *Premiers Memorandum M2010-11 – Improving Client and Customer Satisfaction with Public Services*, the RAA invites feedback on RAA products and services on its website (www.raa.nsw.gov.au/contact).

Any feedback received by the RAA is immediately assessed to determine if further action is required. A record of all feedback received is maintained together with all responses generated.

There was one formal complaint relating to client services in 2014–15 which was resolved in line with the RAA's Complaints Handling process.

Farm Debt Mediation

Objective: Efficient and equitable resolution of farm debt disputes.

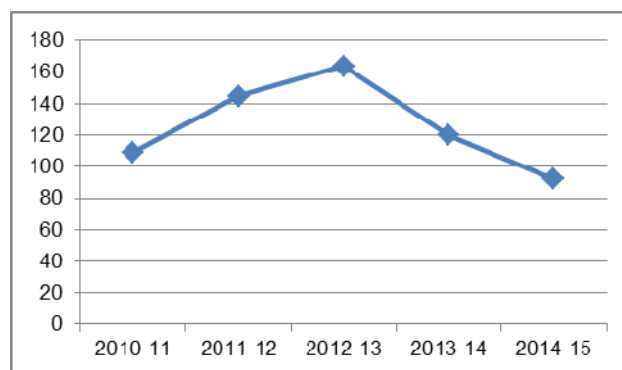
The *Farm Debt Mediation Act 1994* aims to provide for the efficient and equitable resolution of farm debt disputes. Mediation is required before a creditor can take possession of property, or other enforcement action, under a farm mortgage.

Demand for Farm Debt Mediation action from credit providers continued to decrease during 2014-2015, with 97 new cases commenced and 70 cases completed with Section 11 certificates issued. Agreement was reached in 90 per cent of those cases that went to mediation.

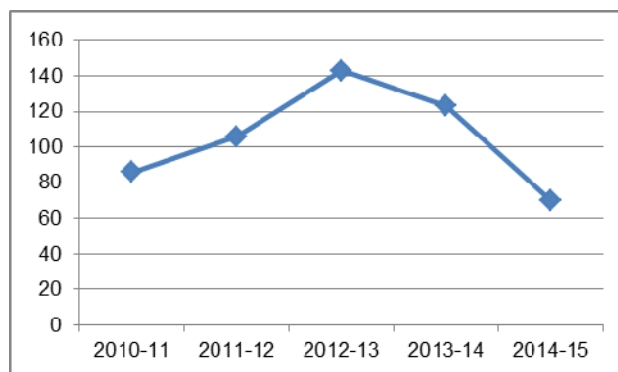
Since commencement of the Act in February 1995, the RAA has issued a total of 2,871 mediation kits in relation to new cases commenced. Of the 2,436 cases completed and a Section 11 certificate issued, 1,591 went to mediation.

The following charts show Farm Debt Mediation Cases Completed and New Cases commenced over the past five years.

New Cases



Cases Completed



The approach to Farm Debt Mediation has been very successful in NSW and has been embraced by both lenders and farmers as a way to efficiently resolve farm debt disputes.

The Hon. Barnaby Joyce, Australian Minister for Agriculture has announced his desire to establish a national approach to farm debt mediation.

During 2014-15 a working party was established to present to Minister Joyce findings in relation to current established farm debt mediation systems and suggestions including the modelling of legislation by all states or the Commonwealth based on the NSW and Victorian Farm Debt Mediation Acts.

Appeal Process

Objective: A clear and independent system for reviewing applications which have been declined assistance.

All decisions where an application for assistance is declined are advised by the RAA in writing. This letter details the reasons and factors which led to that decision.

An Appeal must be lodged in writing with the RAA, and should specifically address the reasons for the RAA's decision. The Appeal should incorporate any supporting evidence or information from the applicant's financier, accountant, consultant or other adviser.

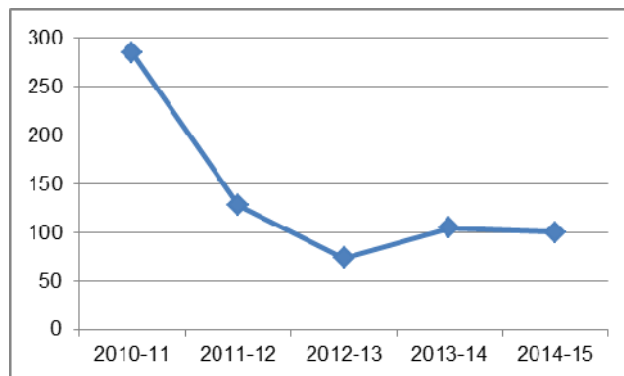
The Appeal is determined by a three person Appeal Committee from within the RAA with the Committee comprised of senior representatives not involved in the initial decision.

The decision of the Appeal Committee is final and is advised in writing to the applicant.

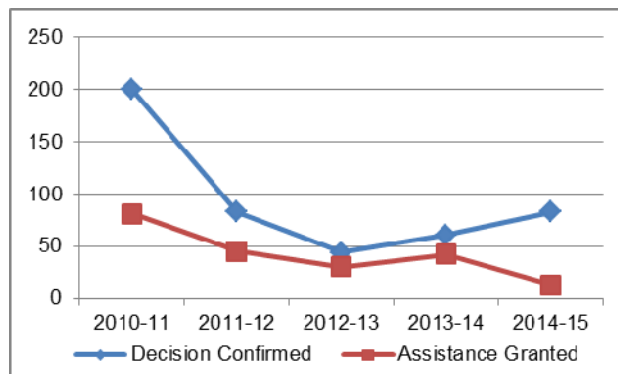
During 2014-2015 the RAA received 100 requests to review decisions. Of these, the original decision was confirmed in 83 cases, while 13 applications were subsequently approved. Three appeal requests were withdrawn prior to the Appeal Committee considering the case, with one further appeal awaiting hearing.

The following chart shows the number of appeals received by the RAA over the past five years.

Appeals



Decisions



INFORMATION & EDUCATION

A commitment to providing effective information to stakeholders.

Publicity and Promotion

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

Strategies include but are not limited to:

- regularly reviewing, updating and improving the RAA 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 field days
- partnering with agencies, including the NSW Rural Financial Counselling Services (RFCS), Local Land Services (LLS) and NSW Department of Primary Industries (NSW DPI) to exchange information and provide improved service to clients.

Electronic Service Delivery

All RAA application forms for assistance are available on the website along with information relating to available assistance.

The RAA website has been designed 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.

FINANCIAL ASSISTANCE

Helping agriculture maximise its long-term profitability and competitiveness.

Performance at a glance

A total of 97 new cases commenced under the *Farm Debt Mediation Act 1994*.

Scheme	Applications Received	Applications Approved	Assistance \$
Farm Innovation Fund	498	304	43,358,403
Natural Disaster Relief Assistance - loans	26	8	671,200
Transport Assistance	2,143	3,473	8,860,695
Emergency Water Infrastructure Rebate	2,977	3,441	26,568,854
Flying-Fox Netting Subsidy	85	82	4,278,648
Farm Finance: Concessional loans	33	19	7,497,600
Drought Concessional loans	141	94	62,289,100
Drought Recovery Concessional loans	13	3	2,268,000

Please refer to *Applications for Assistance Summary* on Page 21 for further details of applications processed.

Loan advances provided by the RAA increased by \$35.96 million to \$199.73 million, a 22 per cent increase on the previous year. The increase was driven by the demand for both State and Commonwealth loan schemes aimed at primary producers recovering from and meeting challenges from seasonal conditions. Farm Innovation Fund loan settlements have also increased from \$1.4 million over the past 12 months to \$23.4 million, an increase of \$22 million of which 69 per cent (\$16.1 million) was spent for the purpose of updating farm infrastructure.

Total loan arrears as at 30 June 2015 was \$1.93 million, representing a 10.6 per cent (\$0.23 million) decrease over the previous twelve month period. The movement in the level of loan arrears reflects the NSW Government's in-drought and drought preparedness measure to defer RAA loan repayments in areas currently impacted by drought. It is likely that the number of defaults in the northern areas of the state will increase further over the next 12 months.

Total loss provisions for impaired loans have increased over the past 12 months from \$0.213 million to \$0.720 million as at 30 June 2015. There are currently 12 loans provisioned of which six have balances less than \$0.050 million (total \$0.078 million) and the remaining loans total \$0.642million.

Provisions for impaired loans and arrears are maintained well within finance industry averages.

Natural Disaster Relief Assistance

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

This scheme provides loans and grants to primary producers (including fishers), small businesses, non-profit organisations and sporting clubs in rural and regional NSW to allow them to continue their normal farming and business operations following a natural disaster.

Assistance is through concessional, fixed-interest rate loans and in extreme circumstances recovery grants.

Natural Disaster Relief Assistance is funded by both the State and Australian governments.

Assistance under this scheme by its nature is not compensatory, nor is it designed to replace the need for applicants to have appropriate insurance cover, therefore applicants need to be in urgent and genuine need of assistance.

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

Natural disaster events

Date of Disaster	Nature of Natural Disaster	Area Affected (Local Government Area)
24/03/2014	Storms	South Eastern NSW - Shellharbour, Wollongong
1/08/2014	Bushfire *	Kempsey - Parishes of Cooroobongatti, Yarrabandinni
2/08/2014	Bushfire	Clarence Valley, Coffs Harbour
13/10/2014	Severe thunderstorm	Eastern NSW - Ashfield, Auburn, Bankstown, Blacktown, Blue Mountains, Camden, Campbelltown, Canada Bay, Canterbury, City of Sydney, Fairfield, Gosford, Holroyd, Hornsby, Hunters Hill, Hurstville, Kogarah, Kur-Ring-Gai, Lane Cove, Leichhardt, Liverpool, Marrickville, Mosman, Penrith, Pittwater, Randwick, Rockdale, Strathfield, Sutherland, The Hills, Warringah, Waverley, Willoughby, Wollondilly, Wyong
22/11/2014	Hail & Wind Storm *	Sunraysia - Parishes of Neilpo, Tiltao, Dean, Wentworth, Mourquong, Gol Gol, Cliffs, Paringi, Thitto and North Cowl within the County of Wentworth
23/11/2014	Bushfire *	Parkes - Parishes of Redcliffe, Gobondry
8/12/2014	Storms and Flooding	Bega Valley, Bombala, Eurobodala
31/12/2014	Storms and Flooding	Byron
10-13/01/2015	Storms and Flooding	Unincorporated Area
17/02/2015	Hail Storm *	Batlow (Tumut LGA) Parishes of Hindmarsh, Selwyn (County Wynyard)
21/03/2015	Hail Storm *	Stapylton, Couralli, Burnett (Counties) in the Moree Plains and Gwydir LGA
20/04/2015	Storms and Flooding	NSW East Coast Storms and Floods - Cessnock, Dungog, Gosford, Gloucester, Great Lakes, Hawkesbury, Ku-ring-gai, Lake Macquarie, Lithgow, Maitland, Mosman, Muswellbrook, Newcastle City, Pittwater, Port Stephens, Randwick, Singleton, The Hills, Warringah, Waverley, Wollondilly, Wyong

Date of Disaster	Nature of Natural Disaster	Area Affected (Local Government Area)
		Grants (Primary Producers) - Dungog, Great Lakes, Maitland, Newcastle, Port Stephens, Singleton, Cessnock (Parishes of Branxton, Heddon, Stockrington), and separately for the aquaculture sector (oysters) in Port Stephens and Brisbane Waters
30/04 - 2/05/2015	Storms and Flooding	North Coast - Ballina, Bellingen, Byron, Clarence Valley, Greater Taree, Kyogle, Lismore, Nambucca, Richmond Valley, Tenterfield

* Indicates Agricultural Natural Disaster Declaration – assistance available to eligible Primary Producers only

Loans

Natural Disaster Relief Assistance (NDRA) 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 available to primary producers and small business operators is \$130,000. There is an interest and repayment-free period of two years followed by a maximum repayment term of 10 years.

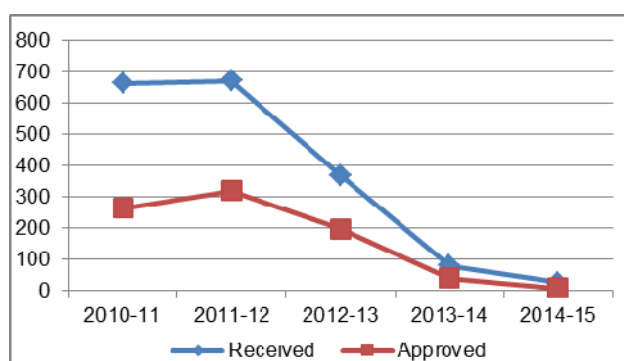
The maximum loan amount available to Non-Profit Organisations is \$25,000 with a maximum of \$10,000 available to Sporting and Recreation Clubs. A maximum repayment term of up to five years is available to Non-Profit Organisations and Sporting and Recreation Clubs.

The interest rate for NDRA loans is fixed from the date of approval, with the rate at 30 June 2015 being 1.92 per cent.

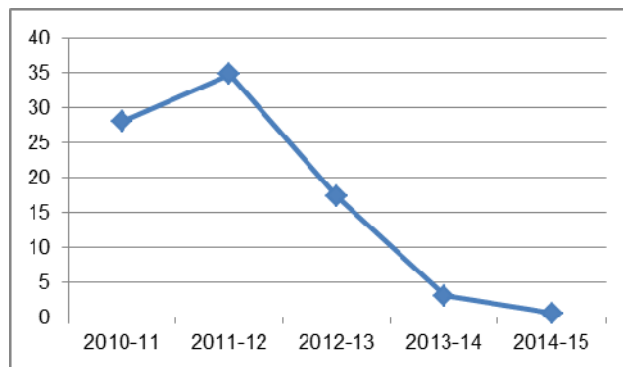
In 2014–15 the RAA received 26 NDRA applications and approved \$671,200 in loans.

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

Applications



Amount Approved \$m



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

The level of demand for NDRA assistance has decreased over recent years in line with the number and severity of natural disasters affecting NSW during this period.

Recovery Grants

Additional assistance measures, which include recovery grants, are available as part of a 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.

Activation of recovery grant provisions of the Natural Disaster Relief and Recovery Arrangements (NDRRA) requires specific approval from the Australian Government.

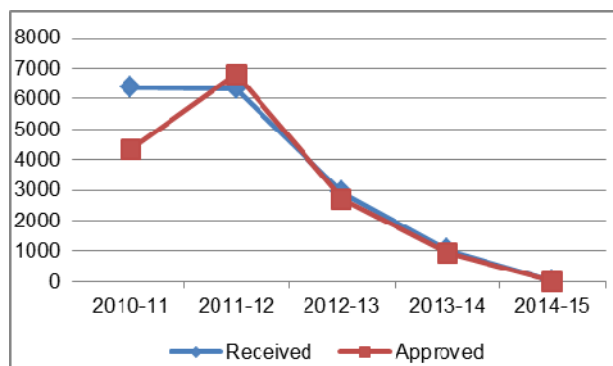
Recovery Grants were made available to Primary Producers following the NSW East Coast Storms and Floods which affected the Hunter and parts of the Central Coast regions during April 2015 (see Natural Disaster Events listing for details) with grants of up to \$15,000 per farm enterprise made available.

Applications for Recovery Grants for damage suffered from the NSW East Coast Storms and Floods opened on 15 June 2015 and will close on 15 December 2015.

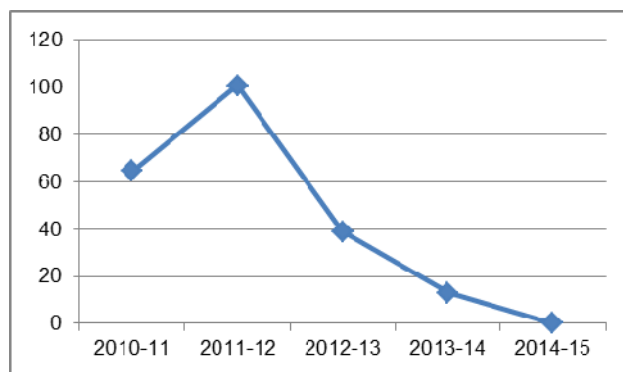
During 2014-15 the RAA received 21 applications, with \$87,351 in assistance approved. Processing of applications received continues.

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

Applications



**Amount Approved
\$**



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

Farm Innovation Fund

Objective: Assisting primary producers identify and address risks to their farming enterprise and meet changes to seasonal conditions.

The Farm Innovation Fund (FIF) is an incentive-based initiative to assist farmers within NSW to identify and address risks to their farming enterprises, improve permanent farm infrastructure, ensure long term productivity and sustainable land use plus aiding in meeting changes to seasonal conditions.

Loans are available to meet the cost of carrying out permanent capital works that will have a significant beneficial impact on the land, long term profitability of the enterprise and address adverse seasonal conditions.

Assistance is in the form of a fixed-interest loan at a concessional rate of up to 100 per cent of the net (GST exclusive) cost of the works to a maximum of \$250,000 outstanding at any one time.

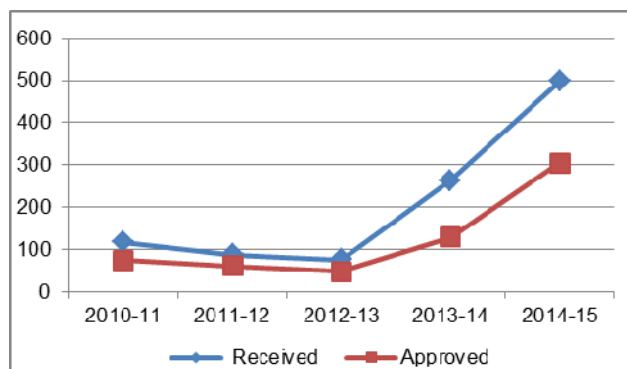
A maximum repayment term of 20 years is available with monthly, half yearly or annual repayments in line with the client's cash flow. The interest rate for FIF loans as at 30 June 2015 was 2.5 per cent.

Additional funding for the FIF of \$250 million over five years, as part of the 2015 NSW Drought Strategy was announced on 3 February 2015.

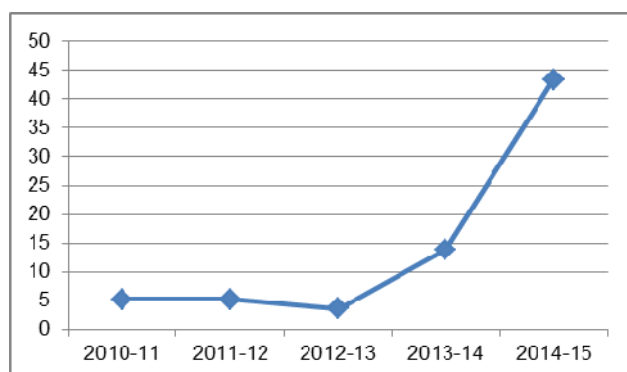
During 2014–15 the RAA received 498 FIF applications with \$43,358,403 in assistance approved.

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

Applications



Amount Approved \$m



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

An independent review of the Fund was completed during 2014-15. The review was conducted to determine if the Fund will achieve its purposes, the value of the Fund to the farm enterprises and to recommend possible changes or enhancements.

A survey of Loan recipients found the Fund to be highly valued and would return a benefit to the farmers.

The following improvements were recommended to strengthen the Fund:

1. Increase use of the Farm Innovation Fund before adverse seasonal conditions arise
 - This will improve drought preparedness impact and use of loans before drought
2. Clarify the purpose and regularly adjust the criteria of the Farm Innovation Fund
 - Use the flexible nature of the Fund to improve its reach and impact
3. Make greater use of regional networks to target and promote the Farm Innovation Fund
 - Rural Financial Counsellors Regional networks are critical to targeting the Fund
4. Establish a cost effective electronic database of RAA applicants that automatically reports on the performance of loans and other assistance measures
 - This will ensure the RAA makes best use of the considerable intelligence it holds
5. Monitor and evaluate the actual impact of the Farm Innovation Fund
 - As a new Fund it is important to determine what benefits are actually realised.

The recommendations have been reviewed by the RAA with the full report presented to the RAA Board for consideration.

Emergency Water Infrastructure Rebate

Objective: Assist primary producers in drought affected areas with the establishment of infrastructure to supply water for emergency animal welfare needs.

The Emergency Water Infrastructure Rebate (EWIR) was announced on 20 November 2013 as part of the NSW Government's drought preparedness and support package. It was initially available to drought affected farmers in the North West of the State and subsequently expanded to other drought affected areas.

The rebate applied to the purchase and installation of permanent water infrastructure. It closed on 4 July 2014 as applications received during 2013-14 were more than sufficient to exhaust program funding for both the 2013-14 and 2014-15 financial years.

Processing of applications received in late 2013-14 was completed during 2014-15. Together with applications received during the year under review, 1,860 applications were processed and \$20,104,198 in assistance approved.

On 18 March 2015 the Australian Government announced an additional \$3 million to support those applicants who lodged an application for the EWIR in late 2013-14 and who had received the NSW Government contribution only for their water infrastructure works.

The RAA reviewed all applications for the EWIR received during this period and has disbursed funds to 1,292 applicants who had not received the Australian Government contribution to complete their works.

The EWIR was reintroduced on 12 January 2015 with an additional \$20 million of State funds made available to support the State's most drought-affected farmers. Revised eligibility criteria was also introduced at this time including the requirement that farmers must seek pre-approval from the RAA before commencement of works and that they must be experiencing a one-in-50 year rainfall deficiency for 12 months or more within the last two years

Assistance was capped at \$20,000 per farm enterprise including any assistance already received under the original EWIR program.

The EWIR closed on 30 June 2015 with 497 applications for the additional funding received and \$3,446,644 in assistance approved.

Total funding over the life of the program has amounted to \$36,733,580.

Flying-Fox Netting Subsidy Program

Objective: Financial assistance for exclusion netting to commercial orchardists whose operations would be significantly affected by the prohibition of licensed shooting of flying foxes as a crop protection measure.

The Flying-Fox Netting Subsidy Program is delivered by the RAA on behalf of the NSW Office of Environment and Heritage (OEH). It was introduced in July 2011 to assist orchardists in the Sydney Basin and Central Coast regions of NSW, with Subsidies to a maximum of 50 per cent of the cost of installation on eligible properties, of permanent exclusion bat netting, up to a maximum of \$20,000 per hectare.

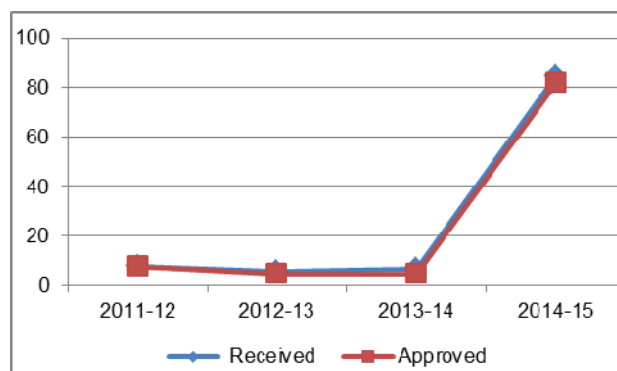
Following a review of the scheme, the OEH announced, on 6 August 2014 that all commercial orchardists in NSW, where there is potential for damage to crops from significant numbers of flying-foxes would be eligible to apply for this assistance. It was also announced that throw-over netting, subject to the netting being properly fitted to reduce the risk of harm to wildlife (including the required tools to install and remove the throw-over netting) would be an eligible expense thereby significantly reducing the cost to growers.

The NSW Government has provided \$5 million for the Flying-Fox Netting Subsidy scheme which will close on 30 June 2016 or when the funding is fully committed, whichever occurs first.

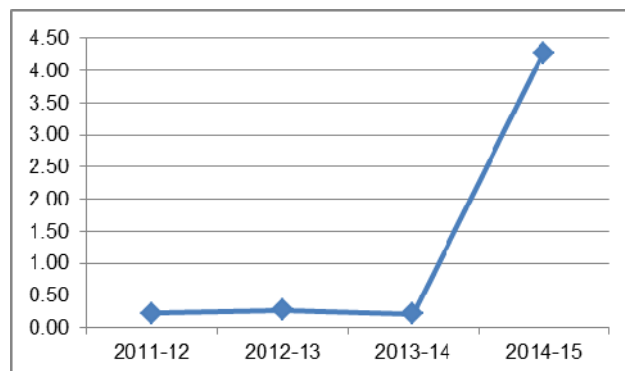
The RAA received 85 applications in the 2014-15 financial year with \$4,278,648 in assistance provided. A total of 464 hectares has been netted since the introduction of the scheme.

The following charts show Flying-Fox Netting Subsidy applications, and amounts approved over the past four years.

Applications



Amount Approved \$m



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

Transport Assistance

Objective: Animal welfare.

Transactional subsidy payments:

Natural Disaster - following declared natural disaster events a subsidy of up to 50 per cent (to a maximum of \$15,000 per financial year) is available to eligible primary producers to assist with the cost in relation to:

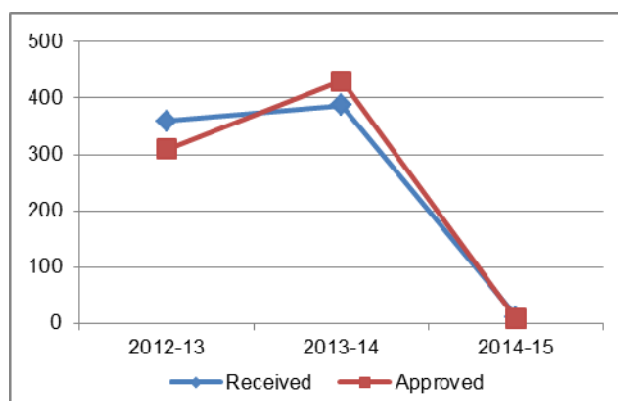
- Transport stock to agistment
- Return stock from agistment

- Transport of stock to sale or slaughter
- Transport fodder and/or water to disaster affected properties

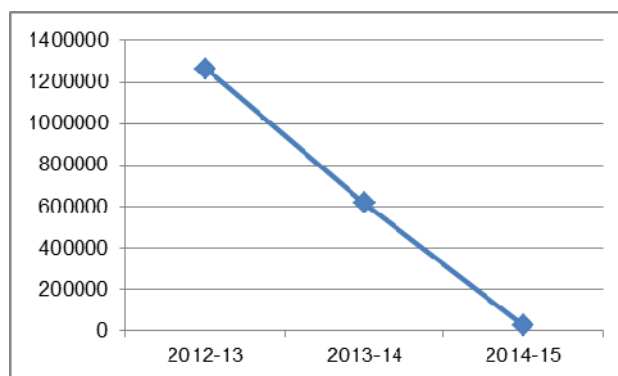
During 2014–15 the RAA received 11 applications for Natural Disaster Transport Assistance and approved \$24,940 in assistance.

The following charts show Natural Disaster Transport Assistance applications, and amounts approved over the past three years.

Applications



Amount Approved \$



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

Animal Welfare - specific assistance for the transport of stock is permanently available to primary producers where:

- animals are at significant risk in terms of animal welfare
- there is little or no feed and/or water available. This includes both pasture and stored fodder
- animals leave the farming enterprise permanently (i.e. to sale and/or slaughter); and
- the enterprise demonstrates a significant financial need.

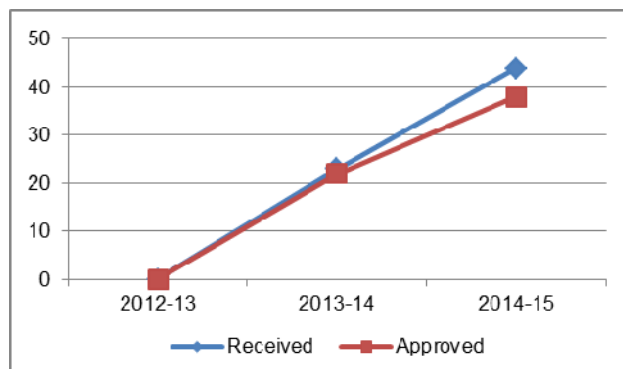
A subsidy of up to 50 per cent of the total freight cost to a maximum of \$20,000 per farm enterprise per financial year is available to eligible primary producers.

This program is funds limited with \$500,000 available in each financial year with funding over five years announced as part of the NSW Drought Strategy on 3 February 2015.

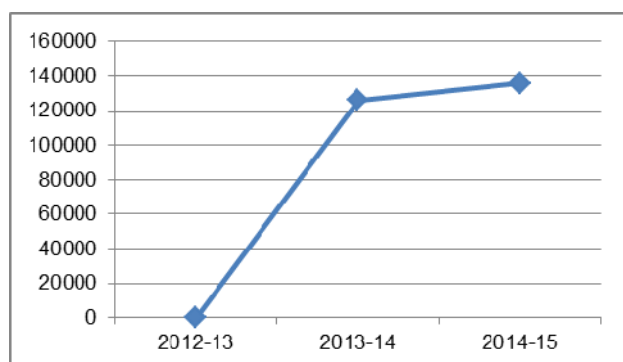
During 2014–15 the RAA received 44 applications for Animal Welfare Transport Assistance and approved \$135,701 in assistance.

The following charts show Animal Welfare Transport Assistance applications, and amounts approved over the past three years.

Applications



Amount Approved \$



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

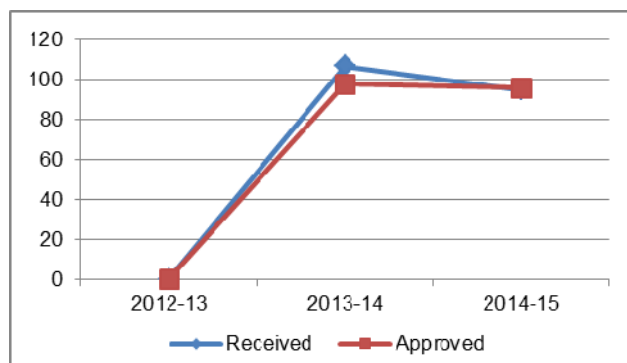
Donated Fodder – assistance with the cost of transporting donated fodder within NSW where the donated fodder is organised by community groups or other organisations for the benefit of multiple primary producers.

This program is funds limited with \$500,000 available in each financial year with funding over five years announced as part of the NSW Drought Strategy on 3 February 2015.

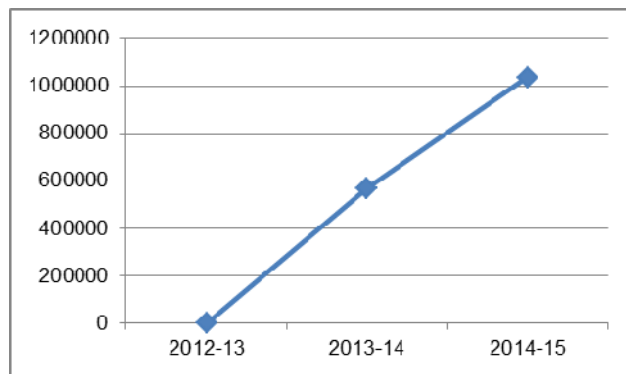
During 2014–15 the RAA received 95 applications for the Transport of Donated Fodder and approved \$1,036,672 in assistance.

The following charts show Transport Assistance applications for Donated Fodder, and amounts approved over the past three years.

Applications



**Amount Approved
\$**



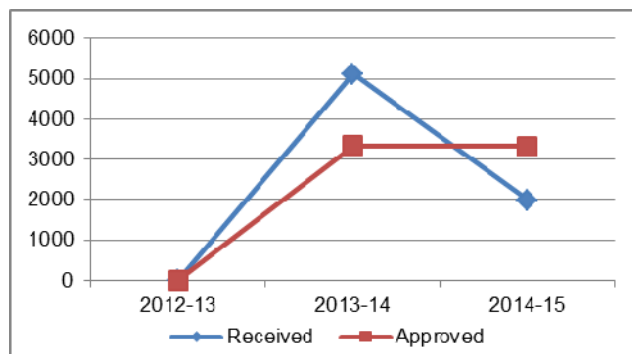
See the *Statistics on applications and approvals* chapter in this report for more details.

Drought – assistance for producers in drought affected areas with the cost of transporting fodder for stock (including bees) to properties, stock (including bees) to agistment, returning stock (including bees) from agistment, domestic water, stock drinking water and stock to sale or slaughter.

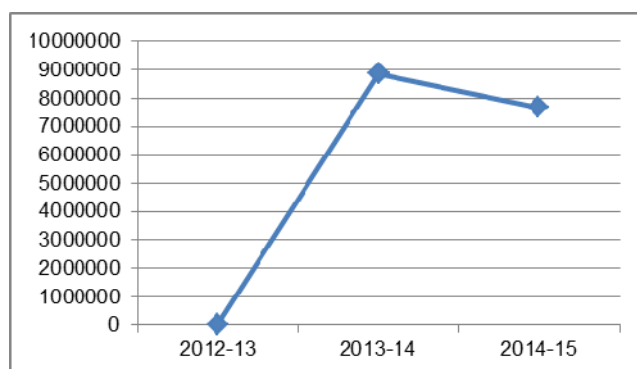
The RAA completed processing of applications during 2014-15 for Drought Transport Assistance which were received in late June 2014 prior to closure of the scheme with a total of 3,639 applications processed and \$7,663,382 in assistance approved.

The following charts show Drought Transport Assistance applications, and amounts approved over the past three years.

Applications



**Amount Approved
\$**



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

Disaster Reimbursement Grants

Objective: To assist primary producers in the Sunraysia area with clean-up and restoration costs.

Additional assistance in the form of one-off reimbursement grants of up to \$10,000 was announced on 11 February 2015 to aid eligible primary producers in the NSW Sunraysia region who suffered direct damage as a result of a severe hail and wind storm on 22 November 2014.

This temporary assistance measure was available for clean-up, removal of debris and further restoration costs with total assistance capped at \$1 million. Applications for the Disaster Reimbursement Grant closed on 30 June 2015.

During 2014–15 the RAA received 55 applications for the Disaster Reimbursement Grant and approved \$414,365 in assistance.

COMMONWEALTH GOVERNMENT CONCESSIONAL LOANS

Assisting primary producers struggling with drought and/or high levels of debt.

A range of assistance measures have been introduced by the Commonwealth Government in recent years to assist primary producers affected by drought and high levels of debt.

These measures have included the Farm Finance, Drought and Drought Recovery Concessional Loans Schemes which are delivered in NSW by the RAA. Each scheme has had different interest rates, terms and conditions applied.

Continuing drought conditions and relative factors have affected client response to these initiatives.

Farm Finance

Objective: Debt restructuring.

Farm Finance Concessional Loans are an Australian Government initiative that aims to build the ongoing financial resilience of farmers in New South Wales who are struggling with high levels of debt. The Concessional Loans Scheme helped farm businesses in financial hardship, but considered financially viable in the longer term, by providing eligible farmers with immediate, short-term assistance.

The scheme is capped in NSW at a total of \$90 million, with loans of up to \$650,000 per farm business available to refinance up to half of existing long-term commercial borrowings. Interest charged on Farm Finance Loans is a concessional rate which is reviewed by the Australian Government on a six-monthly basis and may be varied in accord with prevailing economic conditions. The interest rate for Farm Finance Loans at 30 June 2015 was 4.34 per cent.

The \$30 million final round of funding for Farm Finance Concessional Loans was opened in July 2014 with a further \$20 million made available by the Australian Government in August 2014. Applications for Farm Finance Concessional Loans closed on 30 June 2015.

During 2014-15 the RAA received 33 applications for Farm Finance loans with \$7,497,600 in assistance approved.

Drought

Objective: Debt restructuring, operating expenses, drought recovery and preparedness.

Drought Concessional Loans are an Australian Government initiative available to eligible drought-affected farm businesses for debt restructuring, operating expenses, drought recovery and preparedness activities, or a combination of these.

Assistance is available to eligible drought affected farmers to a maximum of \$1 million, or up to 50 per cent of total eligible debt. The interest rate for Drought Concessional Loans at 30 June 2015 was 3.84 per cent, with the 2014-15 round of Drought Concessional Loans capped in NSW at \$100 million. Applications opened on 23 June 2014 and closed on 30 June 2015.

On 9 May 2015 the Australian Government announced that the Drought Concessional Loans scheme will continue in 2015-16 with additional funding to be allocated to the scheme.

During 2014-15 the RAA received 141 applications for Drought Concessional loans with \$62,289,100 in assistance approved.

Drought Recovery

Objective: Planting and/or restocking activities.

On 4 December 2014 the Australian Government announced targeted government assistance for drought-affected farmers through the Drought Recovery Concessional Loans scheme.

Assistance is available to eligible drought affected farmers for planting and/or restocking activities (as seasonal conditions allow) and associated expenses to a maximum of \$1 million over 10 years. The scheme targets farm businesses experiencing a drought that is considered to be equivalent to, or worse than a one-in-50 year or a one-in-100 year rainfall deficiency.

On 9 May 2015 the Australian Government announced that the Drought Recovery Concessional Loans scheme will continue in 2015-16 with additional funding to be allocated and changes to be made to the eligibility to enable farm businesses outside an area experiencing a one-in-50 year rainfall deficiency event that have been sufficiently impacted by drought to apply.

The 2014-15 round of Drought Recovery Concessional Loans was capped in NSW at \$50 million with applications opening on 18 March 2015 and closing on 30 June 2015. The interest rate for Drought Recovery Concessional Loans at 30 June 2015 was 3.21 per cent.

During 2014-15 the RAA received 13 applications for Drought Recovery Concessional loans with \$2,268,000 in assistance approved.

OTHER ASSISTANCE

Research Scholarship Program

Objective: Supporting research against the objectives of the RAA.

The aim of the Rural Assistance Authority Board Higher Degree Research Scholarships is to support research work by students enrolled in universities located in NSW or the ACT which assist in *"building productive and sustainable agricultural businesses and/or sustainable and successful rural communities"*.

Following extensive investigation into available options and the future direction of the NSW Rural Assistance Authority Board Higher Degree Research Scholarship program, the RAA Board agreed to provide up to two scholarships for the 2015 academic year to the value of up to \$12,000 each to be awarded on a competitive basis for research students working on a research project.

The Grant may be used in any way the host institution sees as an appropriate support for the sustenance of the successful applicant or the proposed research project, and must be expended within one calendar year.

Applications for the 2015 Higher Degree Research Scholarships opened on 29 September 2014 and closed on 7 November 2014.

Following a merit based assessment according to the strength of the application, the extent to which the proposal addressed the aim of the Scholarship, the proposed outcomes of the project and the degree of support from the host institution for the proposed research, only one scholarship was awarded in 2015. This was to Mr James (Jim) McFarlane (University of New England) for his research project titled – “The Hidden Multiplier Within: The Economic Impacts of the NSW Central Ranges Wine Industry.”

The RAA is currently examining more effective mechanisms to enable research into the productive and economic growth and development of primary industries within NSW.

STATISTICS ON APPLICATIONS AND APPROVALS

Applications for Assistance – Summary 2014-15

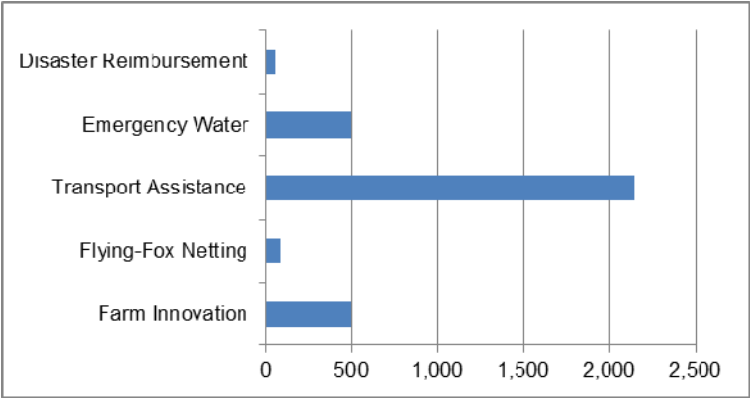
	Pending 01.07.14	Received (No.)	W/drawn (No.)	Declined (No.)	Approved (No.)	Approved \$	Pending 30.06.15
FARM INNOVATION FUND - LOANS							
Preparedness	32	120	40	5	70	6,810,714	37
Environmental	3	13	3	1	7	1,022,500	5
Farm Infrastructure	24	365	64	10	227	35,525,189	88
Sub Total	59	498	107	16	304	43,358,403	130
NATURAL DISASTER RELIEF ASSISTANCE - LOANS							
Primary Producer	1	23	0	10	8	671,200	6
Small Business	0	3	0	3	0	0	0
Sub Total	1	26	0	13	8	671,200	6
NATURAL DISASTER RELIEF ASSISTANCE - GRANTS							
Primary Producer	0	21	0	1	6	87,351	14
Sub Total	0	21	0	1	6	87,351	14
TRANSPORT ASSISTANCE							
Disaster	2	11	0	4	8	24,940	1
Drought	1,715	1,993	68	308	3,331	7,663,382	1
Animal Welfare	1	44	0	3	38	135,701	4
Donated Fodder	9	95	0	0	96	1,036,672	8
Sub Total	1,727	2,143	68	315	3,473	8,860,695	14
EMERGENCY WATER INFRASTRUCTURE REBATE							
Original Scheme	703	1,191	34	67	1,793	20,104,198	0
Top Ups	3	1,289	0	0	1,292	3,018,012	0
2015 Scheme	0	497	1	129	356	3,446,644	11
Sub Total	706	2,977	35	196	3,441	26,568,854	11
CONCESSIONAL LOANS							
Farm Finance	2	33	3	4	19	7,497,600	9
Drought	0	141	5	28	94	62,289,100	14
Drought Recovery	0	13	0	2	3	2,268,000	8
Sub Total	2	187	8	34	116	72,054,700	31

	Pending 01.07.14	Received (No.)	W/drawn (No.)	Declined (No.)	Approved (No.)	Approved \$	Pending 30.06.15
FLYING-FOX NETTING SUBSIDY							
Netting Subsidy	1	85	0	3	82	4,278,648	1
Sub Total	1	85	0	3	82	4,278,648	1
DISASTER REIMBURSEMENT GRANT							
Sunraysia	0	55	0	7	46	414,365	2
Sub Total	0	55	0	7	46	414,365	2
GRAND TOTAL	2,496	5,992	218	585	7,476	156,294,216	209

Schemes

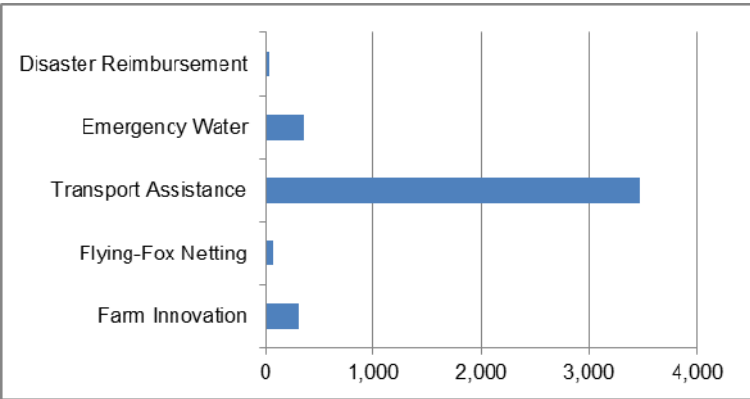
State schemes

Applications Received by Type



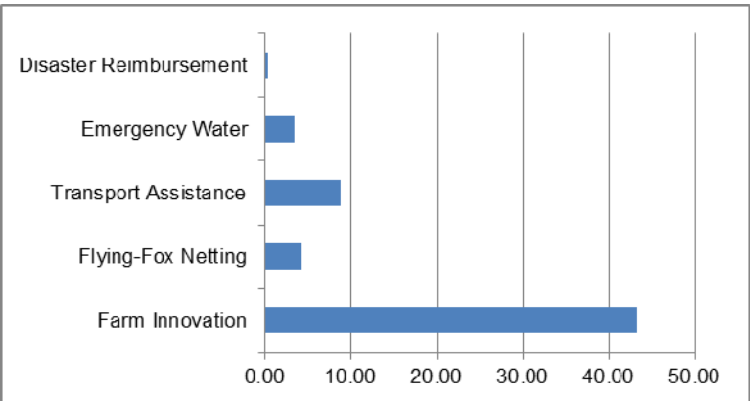
Total No. Applications Received = 3,278

Approvals by Type



Total No. Approved = 4,261

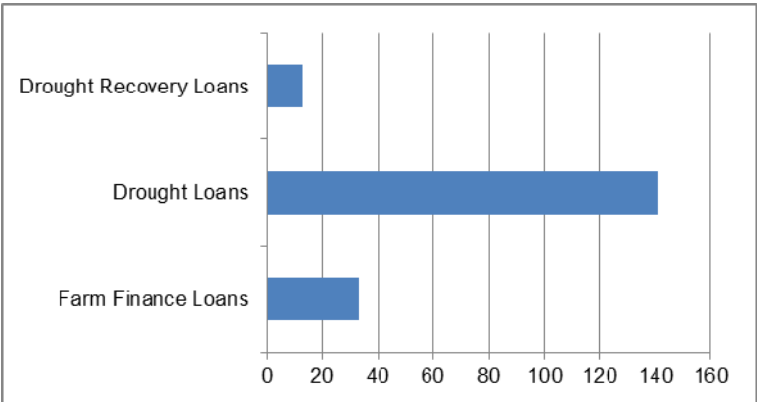
Approval Amounts



Total Approved = \$60,358,755

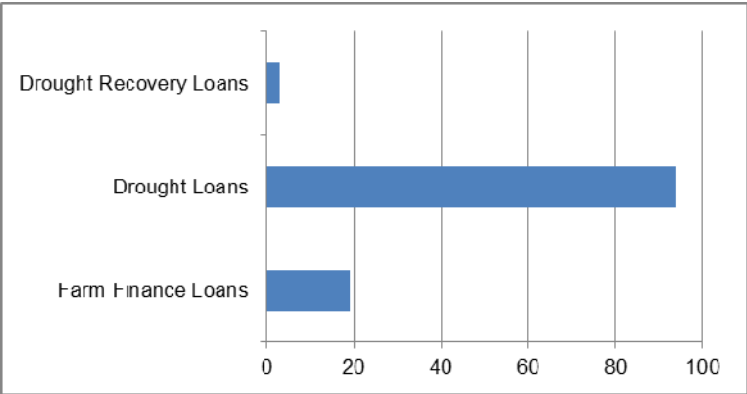
Australian Government schemes

Applications Received by Type



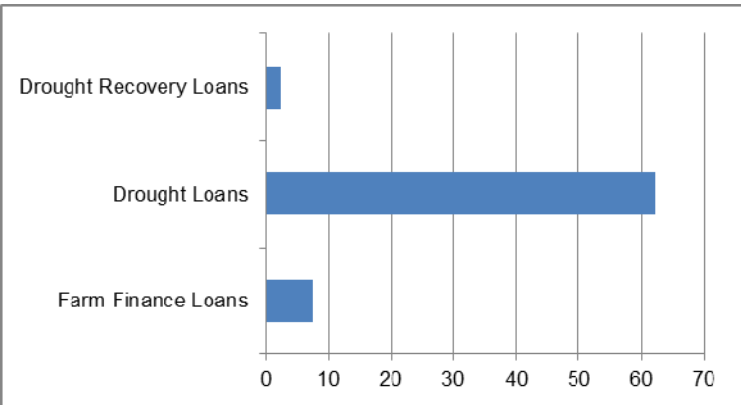
Total No. Applications Received = 187

Approvals by Type



Total No. Approved =116

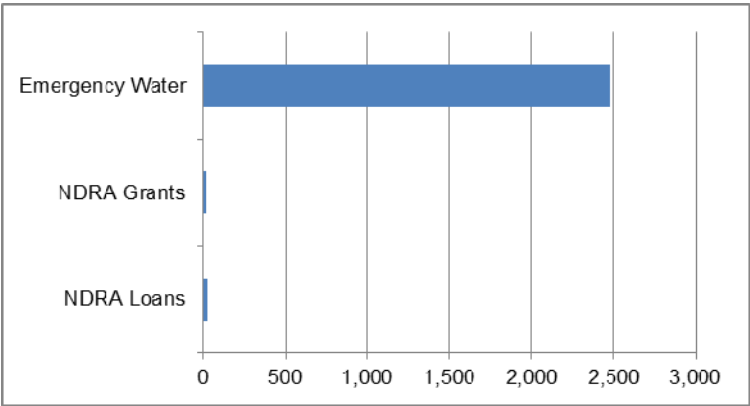
Approval Amounts



Total Approved = \$72,054,700

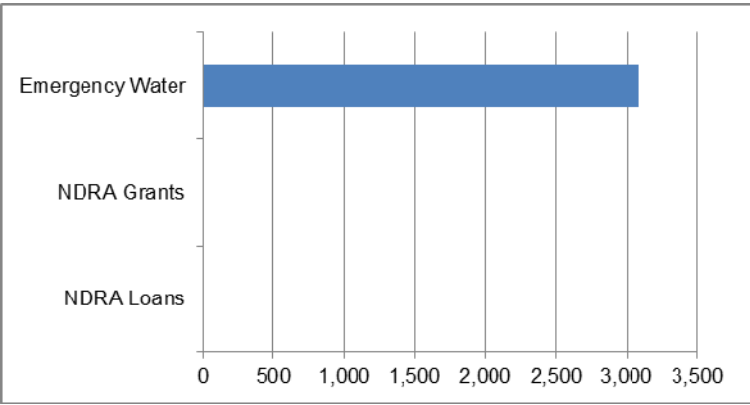
Australian/State Government schemes

Applications Received by Type



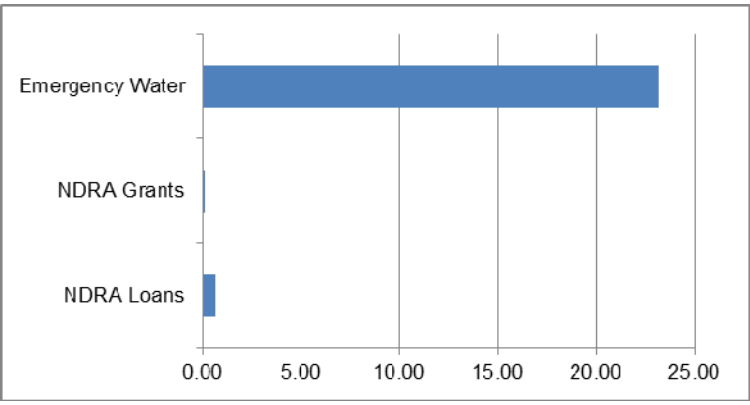
Total No. Applications Received = 2,527

Approvals by Type



Total No. Approved = 3,099

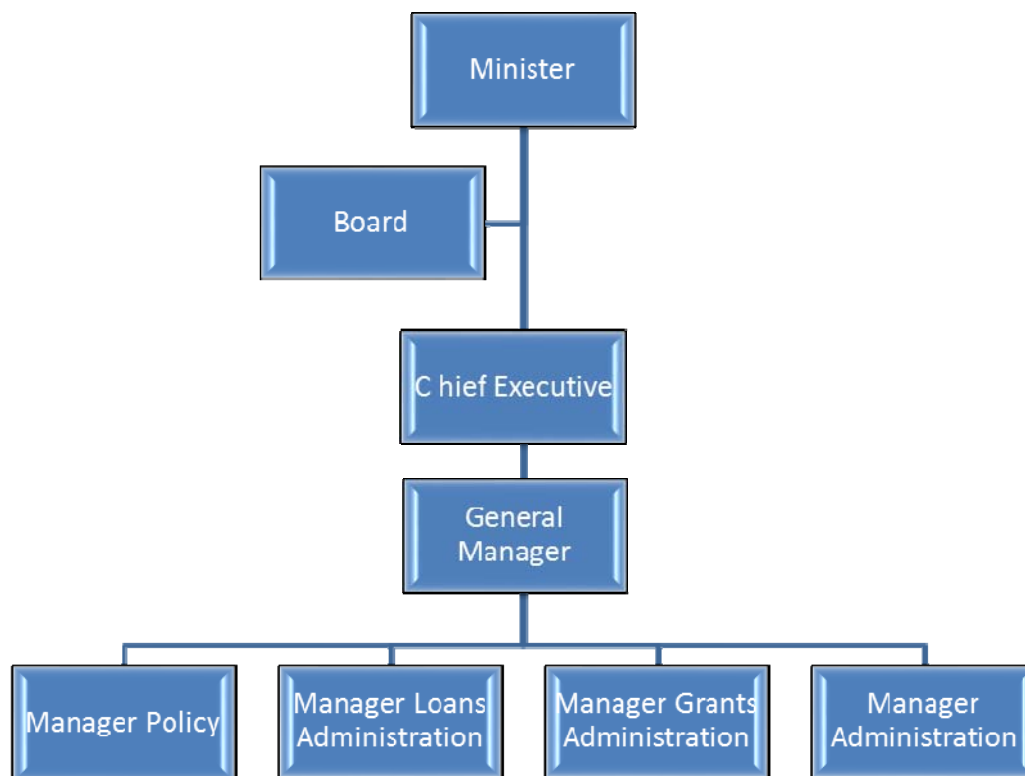
Approval Amounts



Total Approved = \$23,880,761

CORPORATE GOVERNANCE

Organisation Structure



The Board

The activities of the RAA are overseen by a board which has the following functions:

- a) to advise the Minister for Primary Industries on the provision of assistance under the *Rural Assistance Act 1989* (the Act),
- b) to report to the Minister at least annually on:
 - (i) the effectiveness of programs of assistance implemented under this Act in meeting the Government's objectives for those programs, and
 - (ii) the performance of the RAA in the delivery of assistance under programs implemented or administered under this Act,
- c) to determine the general policies of the RAA including by means of the setting of guidelines for the implementation of particular programs of assistance under this Act.

In exercising those functions, the Board, as far as practicable, ensures that the activities of the RAA are carried out properly and efficiently.

The RAA Board consists of six part-time members and the Chief Executive. In accordance with the Act, two of the part-time members are appointed to represent farmers; two must have specific qualifications and experience in banking or finance, farm management or an associated area; and two must have such backgrounds in social welfare, rural counselling, conservation or other areas the Minister considers necessary to enable the board to carry out its functions.

The term of office for appointed members is for a period not exceeding three years, however members are eligible for re-appointment for a further three year term.

Part-time Members with Relevant Qualifications and Experience

Mr David PALMER, Grad Dip Mgmt (AGSM, GAICD), was the Managing Director of Meat and Livestock Australia (MLA) for 5 years and prior to his appointment in 2006 served as MLA's Regional Manager in North America. Before joining MLA, Mr Palmer managed food safety and quality assurance programs at the Australian Meat & Livestock Corporation and spent 6 years as the Executive Director of the Cattle Council of Australia. Mr Palmer was also a director of AUS-MEAT Limited and MLA Donor Company.

Mr Palmer chairs the Livestock Biosecurity Network, a sheep and cattle industry initiative. He is also a director of Animal Health Australia, Invasive Animals CRC and the Greater Sydney LLS.

Mr Palmer is also the Chairperson of the Regional Assistance Advisory Committee tasked with providing advice to the NSW Government on potential farm business, farm family and community support following climate-related downturns.

Appointed - July 2012

Appointed as Chair - July 2012

Mr Robert BROWN, BSc PsychSc (Hons), MBA, CFP, Accredited Family Business Adviser and Director Family Strategy at Peppin Planners, a multi-disciplinary advice business based in Deniliquin, southern NSW.

Mr Brown has extensive career involvement in the situations and issues facing rural families and communities. He is a recognised specialist and speaker on family farm planning and succession research and practice and more broadly the challenges of family wealth interactions, emotions, equity and effective communication and strategies.

Mr Brown is a Board Member of Intereach Limited, a regional provider of community services and programs throughout southern NSW and Chair of Deniliquin Newspapers Pty Ltd.

Appointed - July 2012

Ms Barbara CLARK, BFin Admin, CA, FAICD, is a partner in a mixed farming enterprise situated at Boggabilla in NSW focusing on viability and sustainability and was previously involved in an intensive pecan orchard at Bellingen.

Ms Clark has been a member of numerous agricultural boards including Wheat Export Authority and Export Wheat Commission. She has also been Chair and member of their Audit Committees.

Ms Clark who chairs the RAA's Audit and Risk Committee has extensive experience as an accountant both in Sydney and rural NSW and is a Fellow of the Australian Institute of Company Directors.

Appointed - July 2012

Mrs Markeeta GIBSON, BSC, LLB, Grad Dip Legal Practice, GAICD, owns a law firm and operates a large-scale grazing and irrigation enterprise at Hay in NSW with her husband.

Markeeta is a member of the Australian Institute of Company Directors, NSW Law Society and has extensive experience with rural succession planning, rural, commercial and residential property transfers, as well as water entitlement trading. Mrs Gibson is currently a Director of Hay Inc, a rural education group, a member for the NSW Drought Strategy Implementation Working Group and was previously Chair of MI Holdings Pty Ltd, a Non-Executive Director of Murrumbidgee Irrigation Ltd and a member of its Audit Committee.

Appointed - July 2012

Mr Andrew LOCKE, BSc (Agriculture), is a co-owner and manager of a grazing enterprise at Walcha. He previously had a career in commercial/agribusiness banking and finance consulting.

Mr Locke is a member of the National Rural Advisory Council (NRAC) providing advice to the Federal Minister for Agriculture on drought policy/issues and other industry related matters. He is a graduate of the Australian Rural Leadership programme and a member of the Australian Institute of Company Directors.

Mr Locke has previously been Chair of the National Steering Committee for FarmBis (DAFF), Deputy Chair of the New England North West Area Consultative Committee and member of the Westpac National Agribusiness Council.

Appointed - July 2012

Mrs Wendy TUCKERMAN, is a partner in a mixed farming enterprise, specialising in fine merino sheep breeding and wool production.

Mrs Tuckerman has been an elected Councillor for Boorowa Council since 2004 and has held the position of Mayor since 2007. Mrs Tuckerman is also an Executive Member of the Canberra Region Joint Organisation of Councils.

Appointed - July 2012

Chief Executive

Mr Michael Bullen, BScFor (ANU), MBA (UNE), MAICD, commenced as Deputy Director General, Agriculture NSW in February 2012 and Chief Executive of the RAA in May 2012. Mr Bullen graduated with a Bachelor of Science (Forestry) from the Australian National University in 1983.

Mr Bullen commenced work as a forester in Tasmania and then joined the then Forestry Commission in 1986. He remained with Forests NSW until 2008 when he left to lead the Sydney Catchment Authority until joining Agriculture NSW. Mr Bullen completed a Masters in Business Administration in 1996, and has an interest in natural resource management and played a key role in the NSW Government's Regional Forest Assessment process.

Appointed 23 May 2012

Board Meetings and Attendance

During 2014–15 the Board held meetings as follows:

2 September 2014 - NSW Trade & Investment Centre, Sydney

11 November 2014 - NSW Rural Assistance Authority, Orange

17 February 2015 - NSW Trade & Investment Centre, Sydney

1 April 2015 - Teleconference

21 April 2015 - Hyde Park Inn, Sydney

16 June 2015 – NSW Rural Assistance Authority, Orange

Board Member	Meetings Eligible to Attend	Meetings Attended
Mr David Palmer	6	6
Mr Robert Brown	6	5
Mrs Barbara Clark	6	6
Mrs Markeeta Gibson	6	6
Mr Andrew Locke	6	5
Mrs Wendy Tuckerman	6	5
Mr Michael Bullen	6	6

Senior Officers

Mr Michael Bullen, BScFor (ANU), MBA (UNE), MAICD, **Chief Executive**

Mr Bullen commenced as Deputy Director General, Agriculture NSW in February, 2012 and Chief Executive of the RAA in May, 2012. Mr Bullen commenced work as a forester in Tasmania following his graduation with a Bachelor of Science (Forestry) in 1983. He joined the then NSW Forestry Commission in 1986 and remained with Forests NSW until 2008 when he left to lead the Sydney Catchment Authority. Mr Bullen completed a Masters in Business Administration in 1996, and has an interest in natural resource management. He played a key role in the NSW Government's Regional Forest Assessment process.

Mr John Newcombe, **Acting General Manager**

Mr Newcombe was appointed as Acting General Manager in October 2013. Prior to this he was Executive Officer for the Regional Assistance Advisory Committee (RAAC) and brings expertise in community engagement, business management and structural reform. He manages the day-to-day operations of the RAA and provides a link between the RAA Board, senior members of the public service and central government agencies.

Ms Corinne Kennedy
Acting Manager Policy

Ms Kennedy joined the RAA in 1997 and has been acting 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.

Mr Glen Beattie, GC PSM,
Manager Administration

Mr Beattie was appointed as Manager Administration in December 2013. Prior to this he was employed by NSW Trade and Investment in the position of Senior Business and Systems analyst. He is responsible for the Business administration of the RAA which includes finance, personnel, records, information technology and communication services. Mr Beattie is the liaison between the RAA and its corporate services provider and ensures that all required services are provided timely and efficiently.

Ms Fran Willard
Acting Manager Farm Debt Mediation

Ms Willard joined the RAA in 1996 after 26 years in the banking industry and has been acting in this position since 2010. She 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*. Ms Willard has extensive knowledge of bank securities and has experience in loan assessment and debt recovery.

Mr Thomas Bunworth
Manager Loans Administration

Mr Bunworth joined the RAA in 1996 after an extensive career in the banking industry. He coordinates the Loans Assessment section. 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 RAA in 1990 after 20 years in the banking industry. He is responsible for the day-to-day administration of the Grants Assessment section. Mr Glover ensures that the Schemes are administered in accordance with government guidelines and to achieve the Authority's policies and objectives.

CORPORATE SERVICES

The NSW Department of Trade and Investment, Regional Infrastructure and Services (NSW Trade & Investment) provides corporate services to the RAA under the Government's corporate services reform program. Services include personnel, payroll, industrial relations, finance and information communications technology.

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

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

New South Wales Rural Assistance Authority

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 statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

The Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Chief Executive determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 an 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 control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. 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 roles by the possibility of losing clients or income.



C J Giumelli
Director, Financial Audit Services

28 September 2015
SYDNEY

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

Pursuant to section 41C (1C) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of New South Wales Rural Assistance Authority, I state that:

- (a) the accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer;
- (b) the accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of NSW Rural Assistance Authority for the year ended 30 June 2015;
- (c) at the date of signing I am not aware of any circumstances that would render the financial statements misleading or inaccurate.



Michael Bullen
Chief Executive

24 9 2015

Beginning of audited financial statements

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

		Actual	Budget	Consolidated	Parent
	Notes	2015	2015	Actual	Actual
		\$000	\$000	\$000	\$000
Expenses excluding losses					
Operating expenses					
Employee related	2(a)	-	-	1,557	93
Personnel services	2(b)	2,553	-	1,078	2,542
Other operating expenses	2(c)	2,976	3,948	2,342	2,342
Depreciation and amortisation	2(d)	16	8	7	7
Grants and subsidies	2(e)	12,560	32,253	75,978	75,978
Finance costs	2(f)	8,449	11,010	8,655	8,655
Total Expenses excluding losses		26,554	47,219	89,617	89,617
Revenue					
Sales of goods and services		-	300	-	-
Investment revenue	3(a)	9,123	11,557	9,300	9,300
Grants and contributions	3(b)	40,921	18,382	65,631	65,631
Acceptance by the Crown Entity of employee benefits and other liabilities	6	214	-	19	323
Other revenue	3(c)	954	14	1,782	1,478
Total Revenue		51,212	30,253	76,732	76,732
Gain / (loss) on disposal	4	-	-	(2)	(2)
Other gains / (losses)	5	(749)	-	-	-
Net Result	20	23,909	(16,966)	(12,887)	(12,887)
Other comprehensive income					
Total other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		23,909	(16,966)	(12,887)	(12,887)

The accompanying notes form part of these financial statements.

Refer Note 19 for variance analysis.

New South Wales Rural Assistance Authority is not required to prepare consolidated financial statements for 30 June 2015 due to the abolishment of the Office of the RAA on 24 February 2014.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

		RAA Actual 2015 \$000	Budget 2015 \$000	Consolidated Actual 2014 \$000	Parent Actual 2014 \$000
	Notes				
ASSETS					
Current Assets					
Cash and cash equivalents	8	141,206	20,498	61,334	61,334
Receivables	9	12,234	7,396	2,427	2,427
Other financial assets	10	17,369	15,918	17,788	17,788
Total Current Assets		170,809	43,812	81,549	81,549
Non-Current Assets					
Other financial assets	10	182,357	166,460	135,438	135,438
Plant and equipment	11	64	119	35	35
Intangible assets	12	14	-	16	16
Total Non-Current Assets		182,435	166,579	135,489	135,489
Total Assets		353,244	210,391	217,038	217,038
LIABILITIES					
Current Liabilities					
Payables	14	13,221	12,080	16,185	16,185
Borrowings	15	96,855	16,217	21,578	21,578
Provisions	16	933	1,737	29,560	29,560
Other		-	1,490	-	-
Total Current Liabilities		111,009	31,524	67,323	67,323
Non-Current Liabilities					
Borrowings	15	218,879	166,952	150,273	150,273
Provisions	16	12	-	7	7
Other		-	7	-	-
Total Non-Current Liabilities		218,891	166,959	150,280	150,280
Total Liabilities		329,900	198,483	217,603	217,603
Net Assets		23,344	11,908	(565)	(565)
EQUITY					
Accumulated funds		23,344	11,908	(565)	(565)
Total Equity		23,344	11,908	(565)	(565)

The accompanying notes form part of these financial statements.

Refer Note 19 for variance analysis.

New South Wales Rural Assistance Authority is not required to prepare consolidated financial statements for 30 June 2015 due to the abolishment of the Office of the RAA on 24 February 2014.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

Notes	Accumulated Funds	
	Consolidated \$000	Parent \$000
Balance at 1 July 2014	(565)	-
Net result for the year	23,909	-
Total other comprehensive income	-	-
Total comprehensive income for the year	23,909	-
Balance at 30 June 2015	23,344	-
Balance at 1 July 2013	12,322	12,322
Net result for the year	(12,887)	(12,887)
Other comprehensive income:		
Total other comprehensive income	-	-
Total comprehensive income for the year	(12,887)	(12,887)
Balance at 30 June 2014	(565)	(565)

The accompanying notes form part of these financial statements.

New South Wales Rural Assistance Authority is not required to prepare consolidated financial statements for 30 June 2015 due to the abolishment of the Office of the RAA on 24 February 2014.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

		Actual	Budget	Consolidated	Parent
	Notes	2015	2015	Actual	Actual
		\$000	\$000	2014	2014
				\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee related		(2,291)	-	(2,692)	(2,692)
Grants and subsidies		(41,497)	(15,750)	(45,270)	(45,270)
Finance costs		(5,891)	(7,010)	(4,381)	(4,381)
Other		(6,569)	(21,297)	(200)	(200)
Total Payments		(56,248)	(44,057)	(52,543)	(52,543)
Receipts					
Sale of goods and services		-	300	-	-
Interest received		6,134	547	581	581
Grants and contributions		30,742	15,328	65,620	65,620
Other		1,904	4,864	10,694	10,694
Total Receipts		38,780	21,039	76,895	76,895
NET CASH FLOWS FROM OPERATING ACTIVITIES	20	(17,468)	(23,018)	24,352	24,352
CASH FLOWS FROM INVESTING ACTIVITIES					
Advance repayments received		25,849	27,870	22,810	22,810
Purchases of land and buildings, plant and equipment and infrastructure systems		(43)	(50)	(23)	(23)
Advances made		(72,349)	(17,000)	(29,578)	(29,578)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(46,543)	10,820	(6,791)	(6,791)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings and advances		173,051	17,000	47,991	47,991
Repayment of borrowings and advances		(29,168)	(20,860)	(22,810)	(22,810)
NET CASH FLOWS FROM FINANCING ACTIVITIES		143,883	(3,860)	25,181	25,181
NET INCREASE/(DECREASE) IN CASH		79,872	(16,058)	42,742	42,742
Opening cash and cash equivalents		61,334	36,556	18,592	18,592
CLOSING CASH AND CASH EQUIVALENTS	8	141,206	20,498	61,334	61,334

The accompanying notes form part of these financial statements.

New South Wales Rural Assistance Authority is not required to prepare consolidated financial statements for 30 June 2015 due to the abolishment of the Office of the RAA on 24 February 2014.

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The NSW Rural Assistance Authority (the Agency) is a reporting entity under the *Rural Assistance Act 1999* and comprises all the entities under its control.

Under clause 8 (1) of the *Administrative Arrangement Order 2014*, effective on 24 February 2014, the Office of the Rural Assistance Authority was abolished and the staff transferred to the Department of Trade and Investment, Regional Infrastructure Services (NSW Trade & Investment). The financial statements are no longer consolidated for the year ended 30 June 2015.

In the process of preparing 2013-14 Financial statements for the economic entity, all inter-entity transactions and balances have been eliminated and like transactions and other events are accounted for using uniform Accounting policies.

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 in respect of 2013-14. A reference to the 'Parent' relates to the activities of the NSW Rural Assistance Authority only.

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

These financial statements for the year ended 30 June 2015 have been authorised for issue by the Board on 24 September 2015.

(b) Basis of preparation

The Agency'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 2015* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit and 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 report assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

Management estimations and assumptions have been applied in the following areas:

- (i) Impairment of Advances Receivable - Loans to Clients (Note 10)
In accordance with *AASB 139 Financial Instruments: Recognition and Measurement* an allowance for impairment is raised in relation to individual loans when collectability is considered in doubt
- (ii) Valuation of Advances Receivable (refer Note 10) and Treasury Loan Capital (refer Note 15)
The above items are measured at amortised cost in accordance with *AASB 139 Financial Instrument: Recognition and Measurement* and *TPP08-1 Accounting Policy: Accounting for Financial Instruments*
- (iii) Valuation of Long Service Leave
Long service leave is measured at present value in accordance with *AASB 119 Employee Benefits* based on the application of certain factors specified in NSW TC 15/09.

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) 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 paid

Grants and subsidies are generally recognised as an expense when the Agency relinquishes control over the assets comprising the grant/subsidies.

(f) Insurance

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

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 are recoverable from, or payable to, the Australian Tax Office are classified as operating cash flows.

The NSW Ovine Johne's Disease Transaction Based Contribution Scheme is grouped with the Agency for GST purposes and the GST component of all the Scheme's transactions are included within the Agency's accounts.

(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) Investment Revenue

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

(ii) Grants and Contributions

Grants and contributions include donations and grants from NSW Trade & Investment. Except as specified below, contributions from other bodies (including grants and donations) are recognised as income when the Agency obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash. Contributions are not recognised as revenue in the following circumstances:

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 14 as part of 'Current Liabilities – Payables'.

(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 Agency. 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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

(ii) Capitalisation thresholds

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

(iii) Revaluation of property, 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 14-01). This policy adopts fair value in accordance with *AASB 13 Fair Value Measurement* and *AASB 116 Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best is existing use. In limited circumstances, the highest and best use may be feasible alternative use, where there are no restriction on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

The Agency revalues each class of property, plant and equipment at least every 5 years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. The Agency has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 /mpairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal is material. Specially, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash-generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement costs, where depreciated replacement cost is also fair value.

(v) Depreciation of property, 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 Agency.

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

Plant and equipment useful lives range from 4 to 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) Leased assets

The leasing transactions of the Agency are restricted to an operating lease for office accommodation.

The nature of an operating lease is such that the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, the payments on which are included in the determination of the results of operations over the lease term.

Operating lease payments are charged to the statements of comprehensive income in the periods in which they are incurred.

(viii) Intangible assets

The Agency recognises intangible assets only if it is probable that future economic benefits will flow to the Agency and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Agency's intangible software assets, the assets are carried at cost less any accumulated amortisation.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(ix) 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 net result for the year when impaired, derecognised or through the amortisation process.

The Agency has a loan facility with the Crown which makes available to the Agency funds from which the Agency may recoup for advances it has made under various schemes of assistance. The Agency 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 Agency 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.

The Agency has a loan advance from the Commonwealth to fund a Farm Finance Concessional Loan Scheme. The Agency must repay to the Commonwealth on a monthly basis both the principal and interest on the advances in line with principal and interest that the Agency collects from re-lending the funds for approved purposes. Interest revenue earned on the yet to be expended portion of the loan advance is repayable to the Commonwealth on receipt of same.

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. When loan principal or interest is written off, the obligation for the Agency to repay Treasury or the Commonwealth is forgiven.

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) 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 entity 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 net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence; however impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the revaluation surplus. 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.

(xi) 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 Agency transfers the financial asset:

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

Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the entity'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 Agency 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 method. Gains or losses are recognised in the net result for the year on derecognition.

(iii) Employee benefits and other provisions

(a) Personnel services arrangement

Under clause 8 (1) of the *Administrative Arrangement Order 2014*, effective from 24 February 2014, the staff employed by the Office of the Rural Assistance Authority to provide personnel services to the Rural Assistance Authority were transferred to NSW Trade & Investment. From this date all payments to employees and related obligations are processed in NSW Trade & Investment and are classified as "Personnel services expense" in the financial statements.

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

Liabilities for personnel services are stated as liabilities to the service provider, NSW Trade & Investment. Liabilities for salaries and wages (including non-monetary benefits), 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 service 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.

(c) Long service leave and superannuation

The Agency's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity through NSW Trade & Investment. 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 NSW TC 15/09) 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 (NSW TC 15/09). 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.

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Consequential costs

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

(v) 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 obligation.

(k) Fair Value hierarchy

A number of the Agency's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

The Agency recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(l) Equity and reserves

(i) Accumulated funds

The category 'accumulated funds' includes all current and prior period retained funds.

(m) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament, for NSW Trade and Investment, in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 19.

(n) 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.

(o) New Australian Accounting Standards issued but not effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial reporting period ended 30 June 2015. These are listed as follows:

- AASB 9, AASB 2010-7 and AASB 2013-9 (Part C), AASB2014-1 (Part D), AASB 2014-1 (Part E), AASB 2014-7 and AASB 2014-8 regarding financial instruments
- AASB 15 and AASB 2014-5 regarding Revenue from Contracts with Customers
- AASB 2014-4 regarding acceptable methods of depreciation and amortisation
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 regarding amendments to AASB 101 disclosure initiatives
- AASB 2015-3 regarding materiality
- AASB 2015-6 regarding extending related party disclosures to not-for-profit public sector entities

The Agency has considered these Standards and Interpretations not to have a material impact on the financial statements.

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2. EXPENSES EXCLUDING LOSSES

	Consolidated		Parent
	2015	2014	2014
	\$000	\$000	\$000
(a) Employee related expenses			
Salaries and wages (including annual leave)	-	1,157	-
Superannuation – defined benefit plans	-	18	-
Superannuation – defined contribution plans	-	91	7
Long service leave	-	(7)	-
Workers compensation insurance	-	8	-
Payroll tax and fringe benefits tax	-	75	-
Redundancy payments	-	129	-
Other - miscellaneous	-	86	86
	-	1,557	93
(b) Personnel services			
Personnel services	-	1,078	2,542
Salaries and wages (including recreation leave)	2,015	-	-
Superannuation	187	-	-
Long service leave	206	-	-
Workers compensation insurance	7	-	-
Payroll tax and fringe benefits tax	138	-	-
	2,553	1,078	2,542
(c) Other operating expenses include the following:			
Administration fees	336	478	478
Advertising and promotion	9	30	30
Auditor's remuneration – audit of financial reports	112	147	147
Bad and doubtful debts	5	95	95
Computer software fees	14	-	-
Consultancy	136	75	75
Contractors and other fees	714	172	172
Insurance	5	5	5
Maintenance*	12	11	11
Motor vehicle expenses	10	-	-
Other fees	-	167	167
Other operating	293	139	139
Rent	276	428	428
Rural Support Program	950	530	530
Telecommunication	9	7	7
Training and staff development	20	-	-
Travel	75	58	58
	2,976	2,342	2,342
Maintenance Reconciliation			
* Maintenance expense - contracted labour and other (non-employee related), as above	12	11	11
Employee related maintenance expense included in Note 2(a)	-	-	-
Total Maintenance expenses included in Note 2(a) + 2(b)	12	11	11

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2. EXPENSES EXCLUDING LOSSES (continued)

	2015	Consolidated 2014	Parent 2014
	\$000	\$000	\$000
(d) Depreciation and amortisation expense			
Plant and equipment	14	7	7
Amortisation of intangible assets	2	-	-
	16	7	7
(e) Grants and subsidies			
Forging Partnerships	-	2	2
Natural Disaster Relief Grants	346	12,603	12,603
Emergency Water	6,283	-	-
Flying Fox Netting Subsidy	4,234	293	293
Drought Regional Initiatives	616	62,159	62,159
Dairy Industry Fund	82	-	-
Grants expense on low interest loans	999	921	921
	12,560	75,978	75,978
(f) Finance costs			
Interest on Treasury Advance	4,204	3,901	3,901
Interest on Private Sector Loans	1,687	489	489
Amortised interest expense	2,558	4,265	4,265
	8,449	8,655	8,655

3. REVENUE

	2015	Consolidated 2014	Parent 2014
	\$000	\$000	\$000
(a) Investment revenue			
Interest	590	1,018	1,018
Interest income on loans	5,975	4,017	4,017
Amortised interest revenue	2,558	4,265	4,265
	9,123	9,300	9,300
(b) Grants and contributions			
Transfer payment from NSW Trade & Investment	34,407	52,225	52,225
Capital Grant from NSW Trade & Investment	50	50	50
Grant revenue on low interest loan	999	921	921
Grant from Environmental Trust	3,300	282	282
Reimbursement for Natural Disaster Relief Grants	32	12,153	12,153
Dairy Industry Fund	1,021	-	-
Flying Fox Netting Subsidy	1,112	-	-
	40,921	65,631	65,631
(c) Other revenue			
Forgiveness of liabilities - Treasury	241	496	496
Reduction in doubtful debts	-	175	175
Contributions from the Crown Entity	-	304	-
Commonwealth Loan Admin Fee	700	800	800
Other revenue	13	7	7
	954	1,782	1,478

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4. GAIN / (LOSS) ON DISPOSAL

	2015	Consolidated 2014	Parent 2014
	\$000	\$000	\$000
Gain / (loss) on disposal of property, plant and equipment			
Written down value of assets disposed	-	-	-
Net gain / (loss) on disposal of property, plant and equipment	-	-	-
Gain / (loss) on disposal of investments			
Written down value of assets disposed	-	(2)	(2)
Net gain / (loss) on disposal of investments	-	(2)	(2)

5. OTHER GAINS / (LOSSES)

	2015	Consolidated 2014	Parent 2014
	\$000	\$000	\$000
Impairment of receivables	(749)	-	-
Impairment of property, plant and equipment	-	-	-
Net other gains / (losses)	(749)	-	-

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

	2015	Consolidated 2014	Parent 2014
	\$000	\$000	\$000
The following liabilities and/or expenses have been assumed by the Crown Entity or other Government agencies:			
Superannuation	33	18	-
Long service leave	179	-	-
Payroll tax	2	1	-
Contribution from the Crown Entity	-	-	323
	214	19	323

7. SERVICE GROUPS OF THE NSW RURAL ASSISTANCE AUTHORITY

Financial Assistance to Farmers and Small Business

Service Description : This service group covers financial assistance through loans allowing farmers and small businesses to continue operations following natural disasters and helping farmers to improve land management practices. Assistance is also provided through the Natural Disaster Relief and Recovery grants program to farmers and small businesses following extreme natural disaster events.

As there is only one service group, details of the expenses, income, assets and liabilities for this service group are available in the primary financial statements.

8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2015	Consolidated 2014	Parent 2014
	\$000	\$000	\$000
Cash at bank and on hand	141,206	61,334	61,334
	141,206	61,334	61,334

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

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)	141,206	61,334	61,334
Closing cash and cash equivalents (per statement of cash flows)	141,206	61,334	61,334

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

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

9. CURRENT ASSETS - RECEIVABLES

		Consolidated	Parent
	2015	2014	2014
	\$000	\$000	\$000
CURRENT			
Accrued revenue	9,451	11	11
Miscellaneous	-	4	4
Interest receivable	1,009	655	655
Interest receivable - Interest on loans	1,692	1,615	1,615
Net GST	68	142	142
Personnel services	14	-	-
	12,234	2,427	2,427

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

10. CURRENT / NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

		Consolidated	Parent
	2015	2014	2014
	\$000	\$000	\$000
CURRENT			
Advances receivable - loans to clients	17,610	17,854	17,854
Less: Allowance for impairment	(241)	(66)	(66)
	17,369	17,788	17,788
NON-CURRENT			
Advances receivable - loans to clients	182,837	135,584	135,584
Less: Allowance for impairment	(480)	(146)	(146)
	182,357	135,438	135,438
Movement in the allowance for impairment			
Balance at 1 July	212	791	791
Amounts written off during the year	(240)	(403)	(403)
Increase/(decrease) in allowance recognised in profit or loss	749	(176)	(176)
Balance at 30 June	721	212	212

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT

	Plant and Equipment	
	Consolidated	Parent
	\$000	\$000
At 30 June 2014		
At fair value	91	91
Accumulated depreciation and impairment	(56)	(56)
Net carrying amount	35	35
At 30 June 2015		
At fair value	134	-
Accumulated depreciation and impairment	(70)	-
Net carrying amount	64	-

Reconciliation

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

	Plant and Equipment
	\$000
At 30 June 2015	
Net carrying amount at start of year	35
Additions	43
Disposals	-
Depreciation expense	(14)
Write back on disposal	-
Net carrying amount at end of year	64

New South Wales Rural Assistance Authority is not required to prepare consolidated financial statements for 30 June 2015 due to the abolishment of the Office of the RAA on 24 February 2014.

	Plant and Equipment	
	Consolidated	Parent
	\$000	\$000
At 30 June 2013		
At fair value	225	225
Accumulated depreciation and impairment	(188)	(188)
Net carrying amount	37	37
At 30 June 2014		
At fair value	91	91
Accumulated depreciation and impairment	(56)	(56)
Net carrying amount	35	35

Reconciliation

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

	Plant and Equipment	
	Consolidated	Parent
	\$000	\$000
At 30 June 2014		
Net carrying amount at start of year	37	37
Additions	7	7
Disposals	(141)	(141)
Depreciation expense	(7)	(7)
Write back on disposal	139	139
Net carrying amount at end of year	35	35

Consolidated is parent for 2015.

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

12. INTANGIBLE ASSETS

	Total \$000
At 30 June 2015	
Fair value	16
Accumulated amortisation and impairment	(2)
Net Carrying amount	14
Year ended 30 June 2015	
Net carrying amount at start of year	16
Acquisitions through administrative restructures	-
Additions / transfers	-
Disposals / revaluations / transfers	-
Impairment losses	-
Amortisation (recognised in 'depreciation and amortisation')	(2)
Net carrying amount at end of year	14

New South Wales Rural Assistance Authority is not required to prepare consolidated financial statements for 30 June 2015 due to the abolishment of the Office of the RAA on 24 February 2014.

	Total Consolidated \$000	Parent \$000
At 30 June 2014		
Fair value	16	16
Accumulated amortisation and impairment	-	-
Net Carrying amount	16	16
Year ended 30 June 2014		
Net carrying amount at start of year	-	-
Additions / transfers	16	16
Disposals / revaluations / transfers	-	-
Impairment losses	-	-
Net carrying amount at end of year	16	16

13. RESTRICTED ASSETS

The Agency 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. The Revenue for the funds was recognised in the June 2014 RAA Financial Statements with the Expense to be recognised in a future year when expenditure occurs.

	2015 \$000	Consolidated 2014 \$000	Parent 2014 \$000
CURRENT			
Commonwealth Loan Scheme	117,786	-	-
Crown	3,027	-	-
Dairy Industry Fund	1,021	-	-
Fish Buyout Scheme Funding	16,503	16,503	16,503
Flying Fox	2,174	-	-
	140,511	16,503	16,503

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

14. CURRENT LIABILITIES - PAYABLES

	2015	Consolidated	Parent
	2015	2014	2014
	\$000	\$000	\$000
CURRENT			
Accrued salaries, wages and on-costs	-	16	16
Other taxes payable	8	-	-
Unearned revenue	2,500	1,593	1,593
Personnel services payable	89	54	54
Creditors	6,244	9,770	9,770
Creditors - Treasury	4,265	4,752	4,752
Other	115	-	-
	13,221	16,185	16,185

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

15. CURRENT/NON-CURRENT LIABILITIES - BORROWINGS

	2015	Consolidated	Parent
	2015	2014	2014
	\$000	\$000	\$000
CURRENT			
Unsecured			
Treasury Loan Agreement - Farm Finance	79,245	3,724	3,724
Treasury, NSW Loan Capital	17,610	17,854	17,854
	96,855	21,578	21,578
NON-CURRENT			
Unsecured			
Commonwealth Loan Agreement - Farm Finance	104,263	36,276	36,276
Treasury, NSW Loan Capital	114,616	113,997	113,997
	218,879	150,273	150,273

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

16. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

	2015	Consolidated	Parent
	2015	2014	2014
	\$000	\$000	\$000
CURRENT			
Personnel Services Liabilities			
Recreation leave	237	217	-
Long service leave	76	58	-
Payroll tax	47	47	-
Personnel services	-	-	322
	360	322	322
Other provisions			
Grant Payments:			
Flying Fox Netting Subsidy	30	44	44
Natural Disaster Relief Grants	245	5	5
Drought Regional Initiatives	298	29,189	29,189
	573	29,238	29,238
Total current provisions	933	29,560	29,560
Movement in provisions for grant payments			
Balance at 1 July	36,540	5,863	5,863
Additional provisions	573	36,540	36,540
Amounts used	(36,540)	(5,863)	(5,863)
Balance at 30 June	573	36,540	36,540

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS (continued)

	Consolidated		Parent
	2015	2014	2014
	\$000	\$000	\$000
NON-CURRENT			
Employee benefits and related on-costs			
Long service leave	8	7	-
Payroll tax	4	-	-
Personnel services	-	-	7
	<u>12</u>	<u>7</u>	<u>7</u>
Total non-current provisions	<u>12</u>	<u>7</u>	<u>7</u>
Aggregate employee benefits and related on-costs			
Provisions – current	360	324	324
Provisions – non-current	12	7	7
Personnel services payable	89	54	54
Accrued salaries, wages and on-costs (Note 14)	-	16	16
	<u>461</u>	<u>401</u>	<u>401</u>

17. COMMITMENTS FOR EXPENDITURE

	Consolidated		Parent
	2015	2014	2014
	\$000	\$000	\$000
(a) Other expenditure commitments			
(i) Loan commitments			
Commitments for the payments of Special Conservation Scheme and Natural Disaster Loans			
Not later than one year	812	1,510	1,510
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
Total (excluding GST)	<u>812</u>	<u>1,510</u>	<u>1,510</u>
The total of loan commitments does not include GST as they are financial supplies.			
Commitments for the payments of Commonwealth Farm Finance and Drought Concession Loans			
Not later than one year	36,040	14,439	14,439
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
Total (excluding GST)	<u>36,040</u>	<u>14,439</u>	<u>14,439</u>
The total of loan commitments does not include GST as they are financial supplies.			
Commitments for the payments of Farm Innovation Loans			
Not later than one year	30,580	10,456	10,456
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
Total (excluding GST)	<u>30,580</u>	<u>10,456</u>	<u>10,456</u>
The total of loan commitments does not include GST as they are financial supplies.			
(ii) Partnership Agreement - NSW Trade & Investment			
Not later than one year	123	123	123
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
Total (excluding GST)	<u>123</u>	<u>123</u>	<u>123</u>

The total of 'Partnership Agreement' above include input tax credits of \$11,215 (2014: \$11,000). 66% of the GST is not recoverable (2015: \$7,402; 2014: \$7,000).

Under the Partnership Agreement, the Agency only needs to provide 3 months notice to terminate the agreement.

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17. COMMITMENTS FOR EXPENDITURE (continued)

	Consolidated		Parent
	2015	2014	2014
	\$000	\$000	\$000
(b) Operating lease commitments			
Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:			
(i) Office rent			
Not later than one year	60	241	241
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
Total (including GST)	60	241	241

The total of 'office rent' above includes input tax credits of \$5,472 (2014: \$22,000). 66% is not recoverable (2015: \$3,612; 2014: \$15,000). Under the rental agreement there is a minimum term of 12 months from July 2014 with the Agency to supply a minimum 3 months notice to terminate the subsequent years.

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Board is aware of the existence of a Contingent Liability of \$744,000 as at balance date for overspend on the Category C Grants for North Coast Floods March/April 2009 (expended \$4.244 million on a funding cap of \$3.5 million). NSW Rural Assistance Authority has recouped the overspend amount from NSW Treasury however NSW Treasury have confirmed that they will not claim the overspend amount from the Commonwealth. NSW Treasury are yet to confirm that the NSW Rural Assistance Authority is not required to repay the overspend amount.

19. BUDGET REVIEW

The budget process is finalised prior to the beginning of each financial year. Events can arise after that date that necessitates variations to the planned activities of the Agency 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 Result

The net result was \$40.875m favourable to budget. This was due to expenditure carried forward to 2015-2016 financial year of \$16.503m for Commercial Fisheries Buyout Scheme.

Revenue of \$14.623m in this financial year was for Drought Regional Initiatives Program expenditure in 2013-2014.

Finance Cost expenditure was \$1.778m favourable to budget due to the reduced number of Natural Disaster Scheme loan applications.

Assets and liabilities

Total equity result was \$11.436m favourable to budget. This was due an increase in cash assets for non expenditure of the Commercial Fisheries Buyout Scheme.

Cash flows

A net increase in cash and cash equivalents of \$79.872m resulted in a closing cash equivalent of \$141.206m. This was due to expenditure carried forward to 2015-2016 financial year of \$16.503m for Commercial Fisheries Buyout Scheme, Commonwealth Scheme loans funding not advanced of \$115.285m and Flying Fox Netting Grants approved but not advanced of \$2.427m.

20. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	Consolidated		Parent
	2015	2014	2014
	\$000	\$000	\$000
Net cash used on operating activities	(17,468)	24,352	24,352
Depreciation and amortisation	(16)	(7)	(7)
Liability forgiven	-	496	496
Decrease / (increase) in provisions	28,622	(30,648)	(30,648)
Increase / (decrease) in receivables	9,807	(4,914)	(4,914)
Increase / (decrease) in other financial assets	-	83	83
Decrease / (increase) in creditors	2,964	(2,247)	(2,247)
Net gain / (loss) on sale of plant and equipment	-	(2)	(2)
Net Result	23,909	(12,887)	(12,887)

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

21. FINANCIAL INSTRUMENTS

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

The Agency's main risks arising from financial instruments are outlined below, together with the Agency'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 Agency, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Auditors.

(a) Financial Instrument Categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount Consolidated	Carrying Amount Parent
Class:			2015 \$000	2014 \$000	2014 \$000
Cash and cash equivalents	8	N/A	141,206	61,334	61,334
Receivables ¹	9	Loans and receivables (at amortised cost)	12,166	2,427	2,427
Other financial assets	10	Loans and receivables (at amortised cost)	199,726	153,226	153,226

Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount Consolidated	Carrying Amount Parent
Class:			2015 \$000	2014 \$000	2014 \$000
Payables ²	14	Financial liabilities measured at amortised cost	10,713	16,185	16,185
Borrowings	15	Financial liabilities measured at amortised cost	315,734	171,851	171,851

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 Agency's debtors defaulting on their contractual obligations, resulting in a financial loss to the Agency. 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 Agency, including cash, receivables and authority deposits. Advances receivable - loans to clients comprises 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 Agency has not granted any financial guarantees.

Credit risk associated with the Agency's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Agency 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.

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

21. FINANCIAL INSTRUMENTS (continued)

Other financial assets

Other financial assets represents loans advanced by the Agency 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 currently 1.92% and Farm Innovation Fund Loan is currently 2.50%. The rates are fixed at 50% of the 10-year Bond Rate for 1 year. Farm Finance Loans have a variable interest rate which is set and reviewed by the Commonwealth in accordance with the Scheme Guidelines. The current concessional interest rate for Farm Finance Loans is 3.84%.

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 (2015: \$492k; 2014: \$2.073m). Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

The Agency is not materially exposed to concentration 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 (2015: \$189.517m; 2014: \$151.279m) and past due (2015: \$1.466m; 2014: \$1.946m) but not impaired together represent 99.9% (2014: 99.7%) of the total loan debtors.

	Total ^{1,2} \$000	Past due but not impaired ^{1,2} \$000	Considered impaired ^{1,2} \$000
2015			
<3 months overdue	302	300	2
3 months - 6 months overdue	222	222	-
> 6 months overdue	1,404	1,046	358
2014			
<3 months overdue	600	597	3
3 months - 6 months overdue	326	259	67
> 6 months overdue	1,233	1,090	143

Notes

- Each Column in the table reports "gross receivables".
- The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" does not reconcile to the receivables total recognised in the statement of financial position.

Authority Deposits

The Agency has no funds placed on deposit with TCorp.

Other Facilities

The Agency has access to the following banking facilities:

	2015 \$000	2014 \$000
MasterCard Limit	25	15

The Agency has an annual loan drawdown facility with NSW Treasury (2015: \$30m; 2014: \$20m).

(c) Liquidity risk

Liquidity risk is the risk that the Agency will be unable to meet its payment obligations when they fall due. The Agency 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 of loan payable. No assets have been pledged as collateral. The Agency'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 NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which the invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 0% (2014: 0%).

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

21. FINANCIAL INSTRUMENTS (continued)

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

	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
2015								
Payables	0.0%	13,221	-	-	13,221	13,221	-	-
Borrowings:								
Advances repayable	3.0%	288,208	148,249	139,959	-	47,244	158,028	82,936
		301,429	148,249	139,959	13,221	60,465	158,028	82,936
2014								
Payables	0.0%	16,185	-	-	16,185	16,185	-	-
Borrowings:								
Advances repayable	3.44%	210,160	162,129	48,031	-	29,754	107,508	72,898
		226,345	162,129	48,031	16,185	45,939	107,508	72,898

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Agency 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 Agency 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 Agency 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 financial position date. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Agency's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Agency 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.

RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

22. FINANCIAL INSTRUMENTS (continued)

The Agency's exposure to interest rate risk is set out below.

	Carrying Amount \$000	Result \$000 -1%	Equity \$000	Result \$000 +1%	Equity \$000
2015					
Financial Assets					
Cash and cash equivalents	141,206	(1,412)	(1,412)	1,412	1,412
Receivables	12,166	-	-	-	-
Other financial assets (Fixed rate)	131,503	-	-	-	-
Other financial assets (Variable rate)	68,223	(682)	(682)	682	682
Financial Liabilities					
Payables	10,713	-	-	-	-
Borrowings (Fixed rate)	211,471	-	-	-	-
Borrowings (Variable rate)	104,263	(1,043)	(1,043)	1,043	1,043
2014					
Financial Assets					
Cash and cash equivalents	61,334	(613)	(613)	613	613
Receivables	2,427	-	-	-	-
Other financial assets (Fixed rate)	131,639	-	-	-	-
Other financial assets (Variable rate)	21,587	(216)	(216)	216	216
Financial Liabilities					
Payables	16,185	-	-	-	-
Borrowings (Fixed rate)	131,851	-	-	-	-
Borrowings (Variable rate)	40,000	(400)	(400)	400	400

Other price risk - TCorp Hour Glass Investment 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 Agency has no direct equity investments. The Agency holds no units in Hour-Glass investment trusts.

(e) Fair value measurement

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.

22. EVENTS AFTER THE REPORTING DATE

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

End of audited financial statements

APPENDICES

1. Legislation
2. Budget initiatives: 2015–16
3. Risk management and insurance
4. Consultants
5. Credit card certification
6. Resource efficiency
7. Payment performance
8. Records and information management
9. Public interest disclosures
10. Release of government information
11. Ombudsman
12. Privacy management
13. Work health and safety
14. Human Resources
15. Workforce diversity
16. Disability inclusion
17. Multicultural planning

1. Legislation

State

There were no amendments to the state legislation administered by the RAA (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 RAA is also responsible for the administration of Australian Government funded assistance.

Administration of Commonwealth funded schemes such as the Farm Finance, Drought Concessional and Drought Recovery Concessional Loans schemes are undertaken through Service Level Agreements with the Commonwealth Government agency that funds the scheme and following specific approval by the NSW Government in accordance with the *Rural Assistance Act 1989* and the *Public Authorities (Financial Arrangements) Act 1987*.

The terms and conditions applicable to payments of financial assistance for the purpose of natural disaster relief and recovery are established in accordance with the Natural Disaster Relief and Recovery Arrangements Determination in relation to the Inter-governmental Agreement on Federal Financial Relations between the Commonwealth and the State.

2. Budget Initiatives: 2015–16

The following chart highlights expected Financial Indicators for the 2015–16 financial year.

Financial Indicators	2015-16 Budget \$000
Total Expenses excluding Losses	60,829
Total expenses include the following	
Other operating expenses	4,872
Depreciation and amortisation	9
Grants and subsidies	37,353
Finance costs	18,595
CAPITAL EXPENDITURE	50

Total expenses

The RAA's total expenses for 2015–16 are budgeted at \$60.829 million.

The following are provided for in 2015–16 budget:

- \$50 million for concessional loans under the Farm Innovation Fund to assist primary producers to prepare for future droughts,
- \$9 million for scholarships for farmers to undertake vocational training and farm business planning to prepare for future droughts.

Capital expenditure

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

3. Risk Management and Insurance

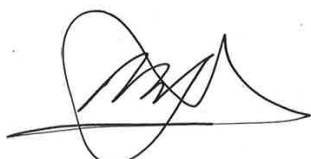
Internal Audit and Risk Management Attestation for the 2014-2015 Financial Year for the NSW Rural Assistance Authority.

I, Michael Bullen, Chief Executive of the NSW Rural Assistance Authority, am of the opinion that the NSW Rural Assistance Authority has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular TC09/08 Internal Audit and Risk Management Policy.

I, Michael Bullen, Chief Executive of the NSW Rural Assistance Authority, am of the opinion that the Audit and Risk Committee of the NSW Rural Assistance Authority is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09-0. The Chair and Members of the Audit and Risk Committee are:

- Chair, Mrs Barbara Clark
(term of appointment – 1 July 2014 to 30 June 2015);
- Independent Member, Mrs Markeeta Gibson
(term of appointment – 1 July 2014 to 30 June 2015);
- Independent Member, Mr Robert Brown
(term of appointment – 1 July 2014 to 30 June 2015);
- Non-Independent Member, Mrs Corinne Kennedy, Manager Policy
(term of appointment – 1 July 2014 to 30 June 2015);

These processes provide a level of assurance that enables the senior management of the NSW Rural Assistance Authority to understand, manage and satisfactorily control risk exposure.



Michael Bullen
Chief Executive

Significant improvements in internal control

The RAA has in place policy and procedures for supplying information to both clients and external bodies in compliance with the *Government Information (Public Access) Act 2009* and the *Privacy and Personal Information Protection Act 1998*.

Staff complete training in work 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.

Business Continuity

The RAA has Business Continuity plans in place to overcome envisaged problems as a result of a disaster affecting the RAA's operations.

Disaster Recovery

The RAA was one of 30 agencies selected to participate in a review of Disaster Recovery Planning by NSW Audit Office during 2014-2015. The review was designed to provide limited assurance over compliance with the requirements of NSW Government Treasury Directions-Section 744.05 'Disaster Recovery Plan' and the NSW Government Digital Information Security Policy, referencing the DRP elements of ISO 27001.

The review assessed whether the Authority:

- had updated DRPs aligned with business recovery requirements
- had tested its DRPs to ensure they were effective

The RAA does not have an individual Disaster Recovery Plan, the Service Level Agreement contracted with the external service provider managing SAP Loan Books, SAP Business ByDesign and SAP ECC6 did not require Disaster Recovery Plans.

This has been discussed with the external service provider and is being implemented in the 2015-2016 Service Level Agreement.

The RAA currently has Business Continuity Plans in place to ensure service remains available to clients in the event of a failure of delivery of essential services provided by the external service provider.

Digital Information Security

The RAA is part of the NSW Trade & Investment departmental cluster and Information Technology services are provided by NSW Trade & Investment under Service Level Agreement.

Please refer to the consolidated Annual Report for NSW Trade & Investment for details of the Digital Information Security Annual Attestation Statement.

Insurance

As an inner budget sector organisation, the RAA 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 GIO and Allianz to include insurance cover for workers' compensation, motor vehicles, public liability, property and miscellaneous insurance.

The RAA's 2014-15 Workers' Compensation premium is included in the Department of Trade & Investment Cluster premium due to NSW Rural Assistance Authority staff being employed by the Lead Cluster agency from February 2014.

There were no worker's compensation claims received in 2014-15.

General Insurance premiums decreased by \$383 in 2014-15 in line with industry trends.

Safety Inspections

Workplace inspections required under the *Work Health and Safety Act 2011* were conducted by Health Safety Representatives on a regular basis during 2014-15.

There were no significant issues raised by Health Safety Representatives during these inspections.

4. Consultants

During 2014-15 the Authority engaged ACIL Allen Consulting to complete a review into the implementation of the Farm Innovation Fund at a cost of \$69,675.

5. Credit Card Certification

The RAA has five credit card holders. The maximum limit is \$25,000. These cards are managed in accordance with the Premier's memoranda and Treasurer's directions.

6. Resource Efficiency

The RAA is co-located with NSW Trade & Investment and operates under the Department's energy management plan in accordance with the NSW Government Resource Efficiency Policy (GREP) which aims to reduce the NSW Government's operating costs and lead by example in increasing resource efficiency. The GREP aims to drive resource efficiency in NSW Government agencies in energy, water, waste and air emissions.

The GREP will ensure that NSW Government agencies:

- meet the challenge of rising costs for energy, water, clean air and waste management
- use purchasing power to drive down the cost of resource efficient technologies and services
- show leadership by incorporating resource efficiency in decision-making.

7. Payment Performance

Accounts paid on time within each quarter

Measure	September	December	March	June
All Suppliers				
Number of accounts due for payment	97	99	74	92
Number of accounts paid on time	97	99	74	92
Actual percentage of accounts paid on time (based on number of accounts)	100%	100%	100%	100%
Dollar amount of accounts for payment	3,064,426	3,535,778	1,447,474	1,590,648
Dollar amount of accounts paid on time	3,064,426	3,535,778	1,447,474	1,590,648
Actual percentage of accounts paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

Measure	September	December	March	June
Small Business Suppliers				
Number of accounts due for payment	0	0	0	0
Number of accounts paid on time	0	0	0	0
Actual percentage of accounts paid on time (based on number of accounts)	0	0	0	0
Dollar amount of accounts for payment	0	0	0	0
Dollar amount of accounts paid on time	0	0	0	0
Actual percentage of accounts paid on time (based on \$)	0	0	0	0
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

Commentary on Payment Performance

- Percentages of payments paid on time were in line with the RAA's target percentage.
- There were no instances of penalty interest paid or incurred during 2014–15.
- The terms of payment on suppliers are reviewed to ensure that sufficient and reasonable time is afforded the RAA for payment.
- Small Business have been determined from those businesses which have identified as being a small business under Department of Premiers and Cabinet guidelines.

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 \$
All Suppliers					
September	3,064,426	0	0	0	0
December	3,535,778	0	0	0	0
March	1,447,474	0	0	0	0
June	1,590,648	0	0	0	0
Small Business Suppliers					
September	0	0	0	0	0
December	0	0	0	0	0
March	0	0	0	0	0
June	0	0	0	0	0

8. Records and Information Management

Records and information held by the RAA are managed in accordance with the *State Records Act 1998* and in compliance with the standards put in place by the State Records Authority of NSW (State Records).

This includes maintenance of existing records and information and destruction of records and information in accordance with the RAA's General Disposal Authority.

During 2014-15 the RAA began preparations for its records and information management processes to comply with the *Standard on Records Management* which was issued by the State Records on 2 March 2015 and is designed to support digital recordkeeping as the NSW Government transitions to digital business processes.

This project will see all active client files scanned and saved to the RAA's Electronic Records Management System (ERMS). The physical (paper) files will then be archived and together with inactive physical files which have already been archived will be held until they are destroyed in accordance with the RAA's General Disposal Authority.

All new documentation received or generated by the RAA will also be saved to the ERMS. This includes applications for assistance together with supporting documentation.

9. Public Interest Disclosure

To comply with the *Public Interest Disclosure Act 1994*, the RAA has put in place policy and procedure to manage any public interest disclosures by staff.

The RAA is part of the NSW Trade & Investment departmental cluster. Statistics related to Public Interest Disclosures are included in the consolidated Annual Report for NSW Trade & Investment.

10. Release of Government Information

The RAA supports the principles of the *Government Information (Public Access) Act 2009* (the *GIPA Act*) by operating in an open, transparent and accountable manner while protecting the privacy of clients and staff.

The RAA is committed to releasing as much information as possible and provides access to information, in accordance with the legislation, as well as published information available on the RAA website (www.raa.nsw.gov.au).

Applications

The RAA is part of the NSW Trade & Investment departmental cluster. Applications under the *GIPA Act* for the RAA are managed centrally and included in the consolidated GIPA information published in the Annual Report for NSW Trade & Investment.

11. Ombudsman

The RAA received one enquiry from the Ombudsman during 2014–15 in relation to schemes administered.

This matter has been resolved.

12. Privacy Management

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

13. Work Health and Safety

The RAA is committed to providing a safe and supportive working environment. The Work Health and Safety (WHS) Committee continued to work closely with management in 2014–15 to achieve the RAA's objectives. Workplace inspections required under the *Work Health and Safety Act 2011* 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. During 2014-15 there was one WHS issue reported being in relation to workplace ergonomics and equipment which has been resolved.

WHS procedures and policy form part of the induction program for RAA staff and are regularly reviewed to comply with the Act.

The RAA is part of the NSW Trade & Investment departmental cluster. WHS matters for the Authority are managed centrally and included in the consolidated WHS information published in the Annual Report for NSW Trade & Investment.

14. Human Resources

Following the introduction of the *Government Sector Employment Act 2013*, *Government Sector Regulation 2014* and *Government Sector Rules 2014* RAA staff are now employed by NSW Trade & Investment.

Staff Numbers

Category	2012	2013	2014	2015
Senior Executive				
Band 1	1	1	1	1
Number filled by Women	0	0	0	0
Band 2	0	0	0	0
Number filled by Women	0	0	0	0
Band 3	0	0	0	0
Number filled by Women	0	0	0	0
Administrative and Clerical				
Assessment Staff	8	8	9	8
Legal	1	1	2	2
Finance, Administration and Other	12	12	10	9
TOTAL	22	22	22	20

Number and Level of Executive staff

Band	2012/13			2013/14			2014/15		
	Total Staff	Women	Men	Total Staff	Women	Men	Total Staff	Women	Men
1	1	0	1	1	0	1	1	0	1
2	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0
Total	1	0	1	1	0	1	1	0	1
Average Remuneration	199,208	0	199,208	195,601	0	195,601	199,301	0	199,301

Number of Male and Female Staff within Salary Levels

Average Remuneration	2012/13			2013/14			2014/15		
	Total Staff	Women	Men	Total Staff	Women	Men	Total Staff	Women	Men
\$0 - \$44,683	0	0	0	0	0	0	0	0	0
\$44,683 - \$58,687	3	2	1	2	1	1	2	1	1
\$58,687 - \$63,801	2	2	0	2	1	1	2	1	1
\$63,801 - \$79,891	8	7	1	8	7	1	8	6	2
\$79,891 - \$110,560	5	2	3	3	1	2	4	2	2
\$110,560 - \$134,202	3	0	3	6	3	3	3	2	1
\$134,202 > Non SE	0	0	0	0	0	0	0	0	0
\$134,202 > SE	1	0	1	1	0	1	1	0	1
Total	22	13	9	22	13	9	20	12	8

Staff Education and Training

Assessment of training requirements continued in 2014-15 through consultation and needs analysis.

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

The RAA encourages staff to undertake tertiary education and allows staff enrolled in external business-related courses to take study leave in accordance with policy.

Staff Induction

Staff induction is provided using the Staff Induction Manual. Through induction, all new staff members are advised of their conditions of employment and the policies operating within the RAA. They also learn how and where to get advice and support when needed, particularly in the areas of grievance procedures, public interest disclosure, equal employment opportunity and work 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.

Flexible Working Arrangements

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

15. Workforce Diversity

The RAA is committed to fostering a diverse workforce which is free of discrimination and reflective of the New South Wales community

Representation and recruitment of aboriginal employees and employees with physical disabilities

	2012/13			2013/14			2014/15		
	Total Staff	Aboriginal People	PWPD	Total Staff	Aboriginal People	PWPD	Total Staff	Aboriginal People	PWPD
Total Employees	22	0	0	20	0	0	20	0	0
Recruited in the year	0	0	0	0	0	0	0	0	0

- PWPD - People with a Physical Disability

Trends in the representation of workforce diversity groups

	Benchmark or Target	% of Total Staff			
		2012	2013	2014	2015
Women	50%	59.1	59.1	59.1	60
Aboriginal people and Torres Strait Islanders	2.60%	0	0	0	0
People whose first language was not English	19%	11.4	9.1	9.1	10
People with a disability	N/A	0	0	0	0
People with a disability requiring work related adjustment	1.50%	0	0	0	0

Trends in the distribution of workforce diversity groups

EEO Group	Benchmark or Target	Distribution Index			
		2012	2013	2014	2015
Women	100	n/a	n/a	n/a	n/a
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	n/a	n/a	n/a	n/a
People with a disability	100	n/a	n/a	n/a	n/a

	Benchmark or Target	2012	2013	2014	2015
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

Notes:

1. A Distribution Index of 100 indicates that the centre of the distribution of the group across salary levels is equivalent to that of other staff. Values less than 100 mean that the 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 group is less concentrated at lower salary levels.
2. The Distribution Index is not calculated where group or non-group numbers are less than 20.

16. Disability Inclusion

The RAA 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 RAA's Disability Inclusion Action Plan is being reviewed to comply with changes introduced with the *Disability Inclusion Act 2014* and will be lodged with the NSW Department of Ageing, Disability and Home Care (DADHC).

17. Multicultural Planning

The RAA's Multicultural Planning Framework has been developed in line with the principles established in the *Multicultural NSW Act 2000*.

The plan is designed to show how the RAA:

- 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 RAA's planning
- provides training for staff on cultural diversity issues
- provides language services and information in ways that will reach all clients.

The RAA's Multicultural Planning Framework includes the following initiatives and strategies in order to better meet the needs of its clients.

- availability of Interpreter Service
- determine language skills available within the RAA's staff
- establish ethnicity of the RAA client base
- allow for the provision of information brochures in other languages on request
- encourage a greater understanding with staff of the cultural needs of the RAA client base
- ensure Multicultural Planning Framework initiatives are incorporated into the RAA's Corporate Plan
- review existing policies to ensure compliance with Multicultural Planning Framework
- inclusion of Multicultural Planning Framework in Flexible Work Practices.

The RAA's plan has been lodged with the Multicultural NSW.

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X

Y

Z

ABBREVIATIONS

DADHC	NSW Department of Ageing, Disability and Home Care
DAFF	Department of Agriculture, Fisheries and Forestry
EEO	Equal Employment Opportunity
ERMS	Electronic Records Management System
EWIR	Emergency Water Infrastructure Rebate
FIF	Farm Innovation Fund
GIPA	Government Information Public Access
GREP	NSW Government Resource Efficiency Policy
LGA	Local Government Area
LLS	Local Land Services
NDRA	Natural Disaster Relief Assistance
NDRRA	Natural Disaster Relief and Recovery Arrangements
NSW DPI	NSW Department of Primary Industries
NSW Trade & Investment	NSW Department of Trade and Investment, Regional Infrastructure and Services
OEH	NSW Office of Environment and Heritage
PWPD	People with a physical disability
RAA	NSW Rural Assistance Authority
RFCS	Rural Financial Counselling Service
State Records	State Records Authority of NSW
WHS	Work Health and Safety

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