

# NSW Rural Assistance Authority Annual Report 2015 - 2016



Rural  
Assistance  
Authority

## **Annual report for the year ending 30 June 2016**

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This annual report summarises the activities and performance of the New South Wales Rural Assistance Authority (RAA) for 2015–16. This and earlier annual reports are available on the RAA website: [www.raa.nsw.gov.au](http://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: ROUT16/  
Telephone: 1800 678 593 (Toll Free)

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 2015-16 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

A handwritten signature in black ink, appearing to read 'David Palmer'.

David Palmer  
Chair

A handwritten signature in black ink, appearing to read 'Michael Bullen'.

Michael Bullen  
Chief Executive

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## CHAIR'S REPORT

I am pleased to provide this report on the operations of the NSW Rural Assistance Authority (the RAA) for 2015-16. During this period the RAA has continued to provide support for primary producers throughout NSW as they manage both seasonal conditions and be able to respond to future opportunities.

During 2015-16 the RAA approved over 1,000 applications totalling more than \$119.56 million across all loan, subsidy and rebate schemes.

In November 2015 the Farm Business Skills Professional Development Program opened. The program forms part of the NSW Government's Drought Strategy with \$45 million committed over five years to provide farmers with access to vocational training and farm business planning support. Since the program opened, 82 courses have been registered by training providers with an expected exposure of \$2.50 million. A further 38 training activities have been approved for individual producers.

The Farm Innovation Fund has continued to be the major focus of activity for the RAA with over 470 applications processed during the past year and \$71.49 million in assistance approved. The fund is the centrepiece of the NSW Government's Drought Strategy with \$250 million committed over five years to the scheme in 2015.

Due to the high demand for the scheme and the pending approval of all funds allocated for 2015-16, RAA management sought approval in late 2015 from NSW Treasury to amend the funding profile for the scheme and to increase this year's allocation by bringing forward \$50 million from the final years of the scheme into 2015-16. Given the program's centrality to the drought strategy and the current seasonal situation Treasury approved this request.

The vagaries of weather continue to pose difficulties for our farmers with severe storms, flooding, bushfires and even snow storms causing damage to their operations. In 2015-16 there were 16 Natural Disaster declarations in NSW, with these events seeing the RAA process 33 applications for Natural Disaster Relief Assistance (NDRA) loans and approve more than \$1.37 million to help affected primary producers and small businesses recover from these devastating events.

The Australian Government, through the Agricultural Competitiveness White Paper is ensuring that farmers have greater certainty about the support available to them during drought and committed continued funding of \$30 million for Drought Concessional Loans and \$25 million for Drought Recovery Concessional Loans for 2015-16. Applications for these schemes reopened in September 2015 with the RAA processing 47 applications for Drought Concessional Loans and 34 Drought Recovery Concessional Loans. Assistance totalling \$22.48 million and \$13.57 million respectively was approved this year.

In NSW, the *Farm Debt Mediation Act 1994* gives producers, when faced with significant issues relating to their debt, the opportunity to discuss and negotiate with their lenders before possession of property or other enforcement action is taken. The RAA continues to administer the Farm Debt Mediation Scheme and I am pleased to note that the number of mediations during the past year has again fallen, with 62 new cases in 2015-16, a reduction of 35 cases from 2014-15. Work with the Australian Government and other stakeholders continues on the establishment of a nationally consistent approach to Farm Debt Mediation and I eagerly await further progress in this area.

This year also saw the conclusion of the popular Flying-Fox Netting Subsidy with all funding having been committed by March 2016. This scheme, which was administered by the RAA on behalf of the NSW Environmental Trust and the Office of Environment and Heritage (OEH) commenced in

2011 and was designed to help orchardists in NSW whose operations would be significantly affected by the prohibition of licensed shooting of flying foxes as a crop protection measure, to install exclusion netting on their properties. Growers who have had funds approved, however have not yet completed their netting works, now have until June 2017 to forward their claims for reimbursement to the RAA for processing. 2015-16 saw the RAA process a further 28 applications and approve \$1.89 million in subsidies. During the life of the program the RAA approved 128 applications for the Flying-Fox Netting Subsidy with \$6.82 million in assistance approved and will see a total of 685 hectares netted.

Transport Assistance was another measure which saw high demand during 2015-16 with 114 applications and \$1.15 million in assistance approved. Of this, more than \$900,000 was approved for the Transport of Donated Fodder to drought affected areas in NSW.

Finally, on 31 May 2016, the Minister for Primary Industries and Minister for Lands and Water, the Hon. Niall Blair MLC, announced the opening of the Commercial Fisheries Business Adjustment Program. The Program will create an economically viable, environmentally sustainable commercial fishing industry in NSW where fishers have the opportunity and certainty they need to grow their businesses with the RAA playing an important role in this program through the delivery of loans and grants to fishers and fishing cooperatives. The RAA has to date received five applications from commercial fishermen for loan assistance and a further two applications for Financial Advice grants.

Again the RAA has been well serviced by a small but dedicated group of professional officers who consistently meet the needs of our customers and clients. On behalf of the Board I extend our appreciation for their services.

The Board's continued appreciation of the support we receive from the Minister and the government of NSW is recognised.

In closing, I would like to thank Robert Brown and Wendy Tuckerman whose Board appointments finished on 30 June 2016 for their work and contribution to the NSW Rural Assistance Authority Board over the past four years. I also look forward to working with the new Board in the future.



**David Palmer**  
Chair

## ABOUT US

### Who we are

The NSW Rural Assistance Authority (the RAA) is a specialist administrator of government financial assistance programs including loans, grants, rebates and subsidies on behalf of both the NSW and Australian Governments.

The RAA can trace its history back to the creation of the Farmer's 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.

The RAA reports to the Minister for Primary Industries, is aligned with the NSW Department of Primary Industries (NSW DPI) and forms part of the NSW Department of Industry, Skills and Regional Development (NSW Department of Industry) departmental cluster.

### What we do

The focal point for the RAA are 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.

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 staff with courtesy and respect
- provide all the information needed to make an accurate decision
- not be threatening or abusive
- let the RAA know if their situation changes and they no longer need help.

If a client is dissatisfied with the level of service that they have received they may:

- discuss the matter with the staff member responsible for handling their application or enquiry
- refer the matter to the staff member's supervisor for investigation
- if not satisfied, arrange for a personal interview with a senior officer, or put the complaint in writing to:

The Director, NSW Rural Assistance Authority

OR make a formal complaint to:

Office of the NSW Ombudsman

The full *Guarantee of Service* is available on the RAA website: [www.raa.nsw.gov.au](http://www.raa.nsw.gov.au).



## Consumer Response

As a means of gathering customer feedback the RAA invites feedback on RAA products and services on its website ([www.raa.nsw.gov.au/contact](http://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 were two formal complaints relating to client services in 2015-16 which were resolved in line with the RAA's Complaints Handling process.

## Farm Debt Mediation

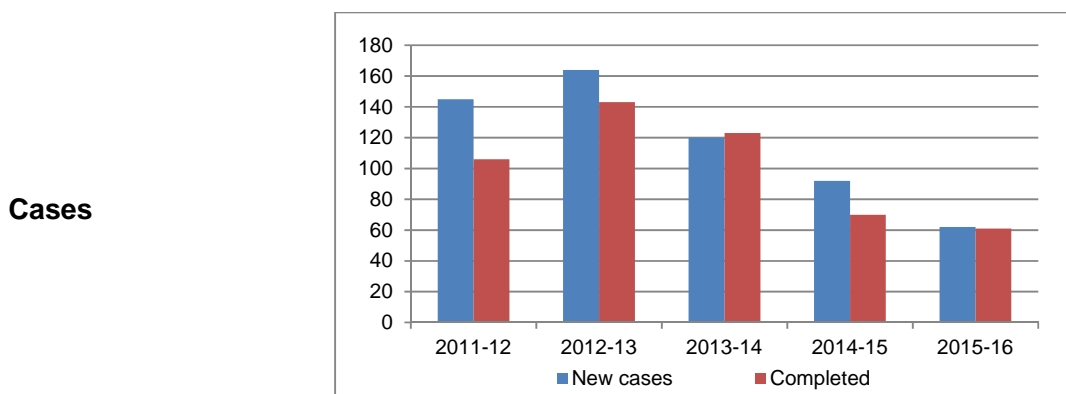
**Objective:** Efficient and equitable resolution of farm debt disputes.

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

Demand for Farm Debt Mediation action from both credit providers and primary producers has seen further decreases during 2015-16, with 62 new cases commenced and 61 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 2,928 mediation kits in relation to new cases commenced. Of the 2,497 cases completed and a Section 11 certificate issued, 1,637 went to mediation.

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



## 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.

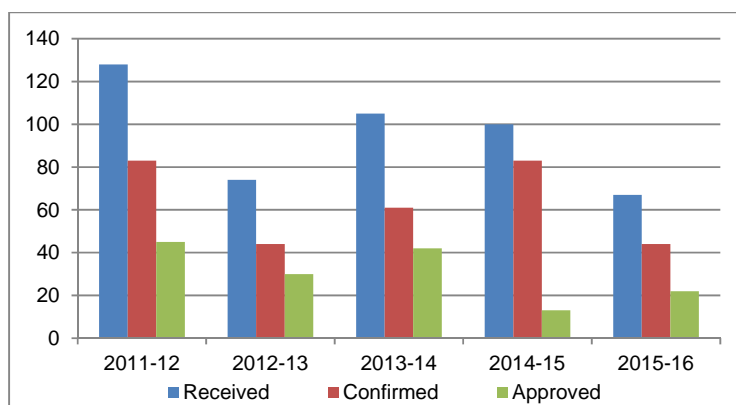
An Appeal must be lodged in writing with the RAA, and should specifically address the reasons for the RAA's decision. The Appeal should incorporate any supporting evidence or information from the applicant's financier, accountant, consultant or other adviser.

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 2015-16 the RAA received 67 requests to review decisions. Of these, the original decision was confirmed in 44 cases, while 22 applications were subsequently approved. One appeal request was withdrawn prior to the Appeal Committee considering the case.

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

## Appeals



## 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
- creation of links on the RAA website to other government sources (E.g. DroughtHub - [www.dpi.nsw.gov.au/climate-and-emergencies/droughthub](http://www.dpi.nsw.gov.au/climate-and-emergencies/droughthub)) to help clients access information on a range of assistance measures
- making available on-line 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 DPI to exchange information and provide improved service to clients.

A key priority for the NSW Government is to improve customer satisfaction by delivering government services and information people need, faster and more conveniently.

To assist in achieving this goal, for primary producers, their families and communities the DroughtHub was launched in December 2015 as part of the \$300 million NSW Drought Strategy.

In conjunction with NSW DPI, the one-stop online destination was developed. Information on a wide range of services and support measures available and the role of various government agencies is provided to assist with the decision-making process in preparing for and managing drought conditions.

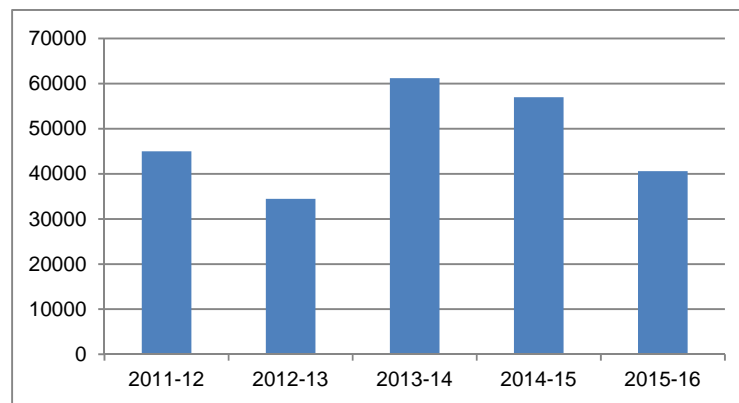
During the past year RAA staff attended major field days such as the AgQuip Field Days, the Henty Farm Machinery Field Days and the Australian National Field Days to answer client enquiries and to promote RAA products and services.

### Electronic Service Delivery

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

The RAA has also commenced making 'electronic application forms' available for assistance measures. This allows clients to complete applications for assistance on-line with the completed application, together with supporting documentation transmitted direct to the RAA for processing. Over time, all application forms will be available electronically.

During 2015-16 there were more than 40,500 visits to the RAA website.

**Visits**

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

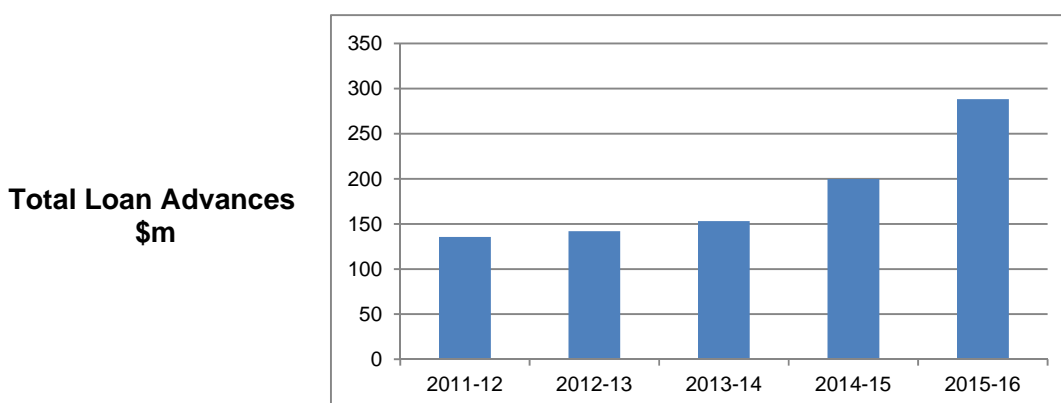
Performance at a Glance			
Scheme	Applications Received	Applications Approved	Assistance \$
Farm Innovation Fund	449	449	71,491,320
Natural Disaster Relief Assistance - loans	33	18	1,365,900
Transport Assistance	133	114	1,152,106
Flying-Fox Netting Subsidy	27	28	1,887,250
Drought Concessional Loans	38	37	22,478,300
Drought Recovery Concessional Loans	29	26	13,566,500

Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

Loan advances provided by the RAA increased by \$79.25 million to \$288.38 million, a 38 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 balances have also increased from \$23.4 million over the past 12 months to \$71.49 million, an increase of \$48.09 million.

Total loan arrears as at 30 June 2016 was \$1.82 million, representing a 5.7 per cent (\$0.11 million) decrease over the previous twelve month period.

Total loss provisions for impaired loans have decreased over the past twelve months from \$0.721 million to \$0.686 million as at 30 June 2016. There are currently ten loans provisioned, of which four loans have balances less than \$0.05 million (total \$0.056 million) and the remaining six loans have balances totalling \$0.630 million.



### Farm Innovation Fund

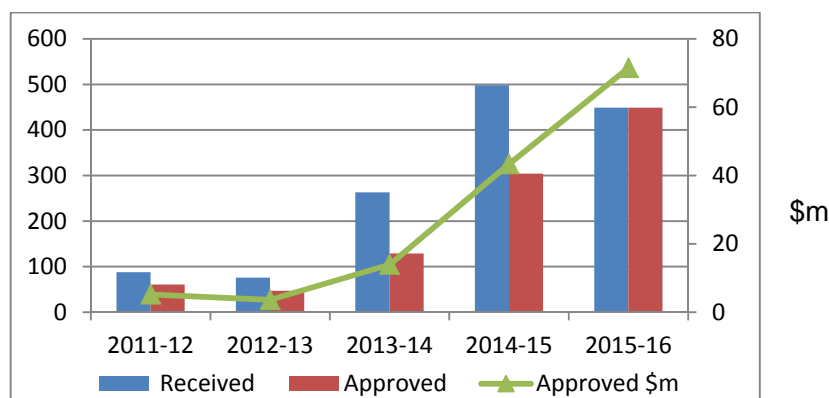
**Objective:** Assisting primary producers identify and address risks to their farming enterprise and meet changes to seasonal conditions.

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.

The FIF is the main assistance measure announced as part of the NSW Drought Strategy. Due to the level of demand experienced, NSW Treasury approved amendment of the funding profile for the FIF to increase the 2015-16 allocation by bringing forward \$50 million from the final years of the scheme.

During 2015-16 the RAA received 449 FIF applications with \$71.49 million in assistance approved of which 80.9 per cent (\$60.3 million) was spent for the purpose of updating farm infrastructure.

The following chart shows Special Conservation Scheme and Farm Innovation Fund loan applications received and approved over the past five years.



Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

A review to identify changes that maximise the FIF's benefits from the available NSW investment, and strengthen alignment with NSW drought policy and evaluation framework was completed by consultants ACIL Allen during 2015-16.

Implementation of recommendations included in this review will see improvements to ensure that the FIF will continue to meet the needs of farmers in NSW.

## 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. Additional assistance to help with the cost of transporting stock to/from agistment, stock to sale or slaughter and fodder or water to disaster affected properties is also available following a declared natural disaster (refer to 'Transport Assistance', page 15 for further details of this measure).

Natural Disaster Declarations are made by the Australian Minister for Justice in conjunction with the NSW Minister for Police and Emergency Services, or by the NSW Minister for Primary Industries.

Declarations made by the Australian Minister for Justice in conjunction with the NSW Minister for Police and Emergency Services are open to the following groups within the disaster affected area:

- Primary Producers
- Small Business

- Non-Profit Organisations
- Sporting and Recreation Clubs

A Declaration made by the NSW Minister for Primary Industries is restricted to Primary Producers within a disaster affected area.

Assistance under this scheme is, by its nature 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)
1/03/2015	Bushfire	Narrabri
25/04/2015	Hail Storm and Flooding	Blacktown, Marrickville, Randwick, City of Sydney
19/05/2015	Hail Storm #	Griffith - Parishes of Warburn, Ballingail, Jondaryan
16/07/2015	Snow Storm	Upper Lachlan, Wingecarribee
2/08/2015	Bushfire	Blue Mountains
24/08/2015	Severe Weather	Penrith, Shoalhaven, Upper Hunter, Wingecarribee, Wollongong
17/09/2015	Hail Storm #	Clarence Valley & Coffs Harbour - Parishes of Sherwood, Dundoo, Red Rock, Corindi
26/10/2015	Hail Storm #	Clarence Valley & Coffs Harbour - Parishes of Sherwood, Dundoo, Corindi
26/11/2015	Bushfire	Shoalhaven
29/11/2015	Severe Storm #	Lismore, Byron, Ballina - Parishes of Bexhill, Blakebrook, Brunswick, Byron, Clunes, North Codrington, Dunoon, East Gundurimba, South Gundurimba, Jasper, Lismore, North Lismore, South Lismore, Meerschaum, Mullumbimby, Newrybar, Nimbin, Teven, Tuckombil, Tunstall, Whian Whian
11/12/2015	Bushfire	Hawkesbury
16/12/2015	Severe Thunderstorms	Randwick, Sutherland, Waverley, Woollahra
3/01/2016	Flooding	Bega Valley, Dungog, Eurobodalla, Gloucester, Great Lakes, Hawkesbury, Maitland, Newcastle, Port Macquarie-Hastings, Port Stephens, Wyong
14/01/2016	Storms and Floods	Bankstown, Blacktown, Campbelltown, Canterbury, City of Sydney, Fairfield, Hurstville, Kogarah, Liverpool, Marrickville, Penrith, Randwick, Rockdale, Sutherland, Wollondilly, Wyong
29/01/2016	Hail and Wind Storm #	Narrabri, Walgett - Parishes of Bunna Bunna, Doorabeeba, Booramine and Gehan

Date of Disaster	Nature of Natural Disaster	Area Affected (Local Government Area)
1/06/2016	Storms and Floods	East Coast Storms and Floods – Ballina, Bega, Blacktown, Byron, Camden, Campbelltown, Canterbury-Bankstown, Central Coast, City of Sydney, Coffs Harbour, Eurobodalla, Fairfield, Hornsby, Inner West, Kiama, Kempsey, Ku-ring-gai, Lane Cove, Lismore, Liverpool, Maitland, Nambucca, Northern Beaches, Parramatta, Penrith, Port Macquarie-Hastings, Port Stephens, Queanbeyan-Palerang, Randwick, Ryde, Shellharbour, Shoalhaven, Sutherland, The Hills, Tweed, Waverley, Willoughby, Wingecarribee, Wollondilly, Wollongong, Wollahra

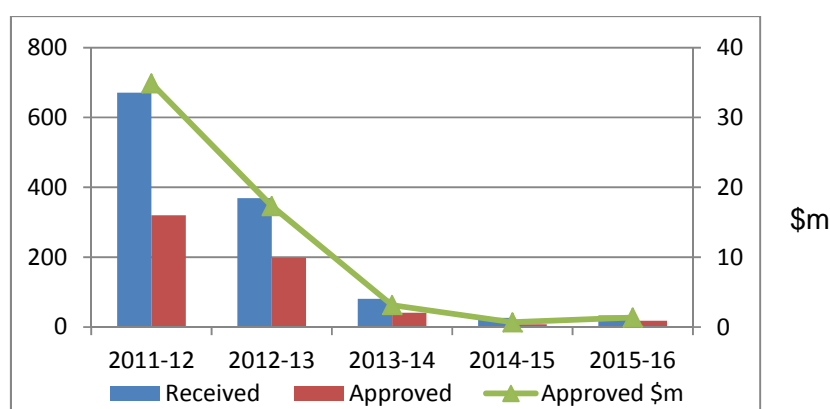
# Indicates Agricultural Natural Disaster Declaration – assistance available to eligible Primary Producers only

## 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.

In 2015-16 the RAA received 33 NDRA applications and approved \$1.37 million in loans.

The following chart shows Natural Disaster Relief Assistance loan applications received and approved over the past five years.



Please refer to *Applications for Assistance Summary* on Page 22 for further details of applications processed.

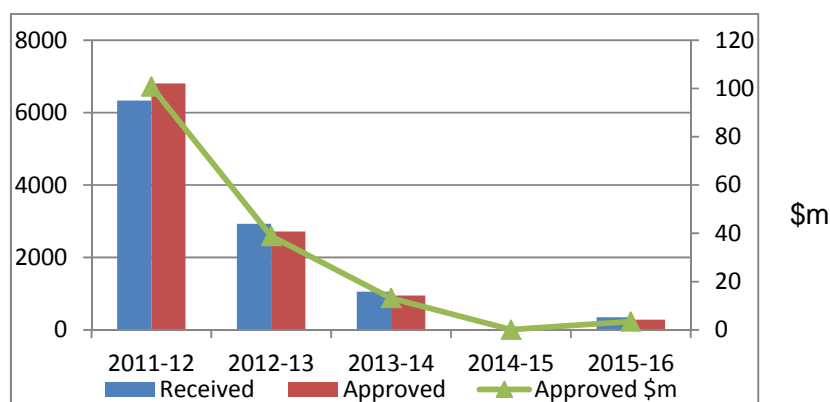
## Recovery Grants

Additional assistance measures, which include recovery grants, are available as part of a Community Recovery Package (Category C assistance), to provide immediate relief to eligible primary producers and small businesses for clean-up and restoration costs in the aftermath of extreme natural disaster events. Activation of recovery grant provisions of the Natural Disaster Relief and Recovery Arrangements (NDRRA) requires specific approval from the Australian Government.

During 2015-16 the RAA completed processing of applications following the NSW East Coast Storms and Floods which affected the Hunter and parts of the Central Coast regions during April 2015. Applications for this event closed on 15 December 2015 with the RAA processing a further 360 applications and approving \$3.43 million in assistance.

The following chart shows Natural Disaster Relief Assistance grant applications received and approved over the past five years.





Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

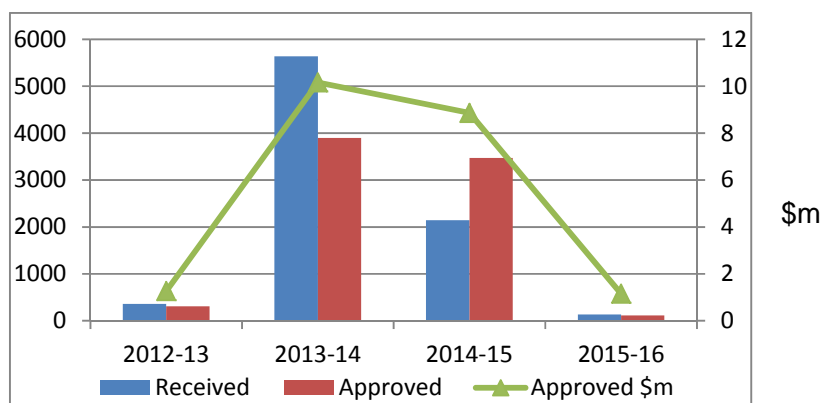
## Transport Assistance

**Objective:** Animal welfare through the management of livestock resources during and following adverse conditions.

A range of assistance measures are available to help primary producers in grazing industries to manage their livestock resource both during and following adverse conditions and to help in the restoration of that resource.

During 2015-16 the RAA received 133 applications for Transport Assistance and approved a total of \$1.15 million in subsidies.

The following chart shows Transport Assistance applications received and approved over the past four years.



Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

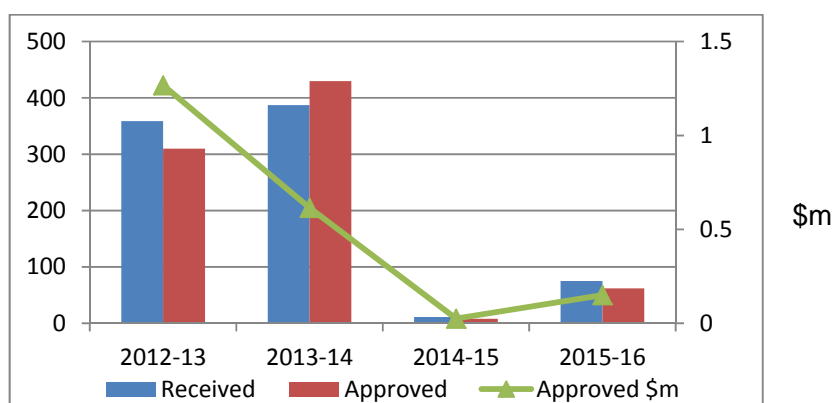
## Natural Disaster

Following declared natural disaster events a subsidy is available to eligible primary producers to assist with the cost in relation to:

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

During 2015-16 the RAA received 75 applications for Natural Disaster Transport Assistance and approved \$154,322 in subsidies.

The following chart shows Natural Disaster Transport Assistance applications received and approved over the past four years.



Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

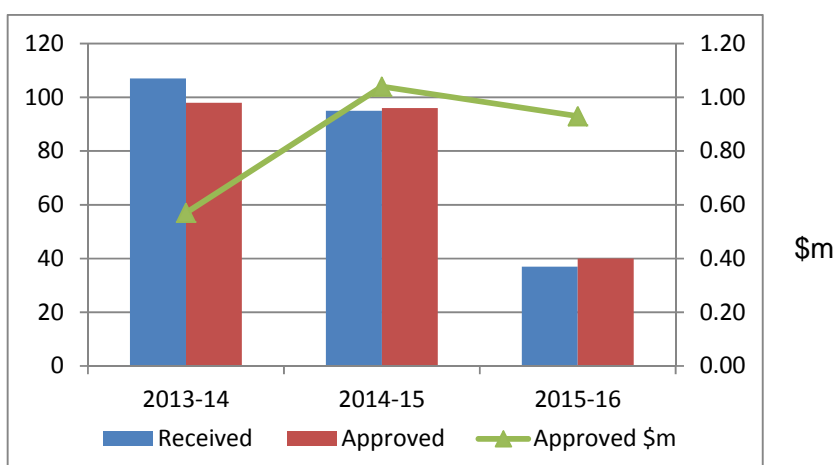
### Donated Fodder

Assistance with the cost of transporting donated fodder from within NSW, to drought affected properties where the donated fodder is organised by community groups or other organisations for the benefit of multiple primary producers.

This program forms part of the NSW Drought Strategy.

During 2015-16 the RAA received 37 applications for the Transport of Donated Fodder and approved \$929,889 in assistance.

The following chart shows Transport of Donated Fodder applications received and approved over the past three years.



Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

### Animal Welfare

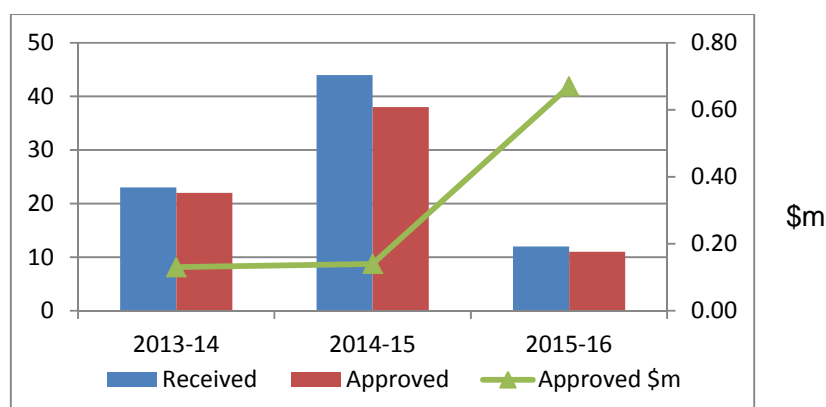
Specific assistance for the transport of stock is permanently available to primary producers where:

- 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.

This program forms part of the NSW Drought Strategy.

During 2015-16 the RAA received 12 applications for Animal Welfare Transport Assistance and approved \$67,171 in assistance.

The following chart shows Animal Welfare Transport Assistance applications received and approved over the past three years.



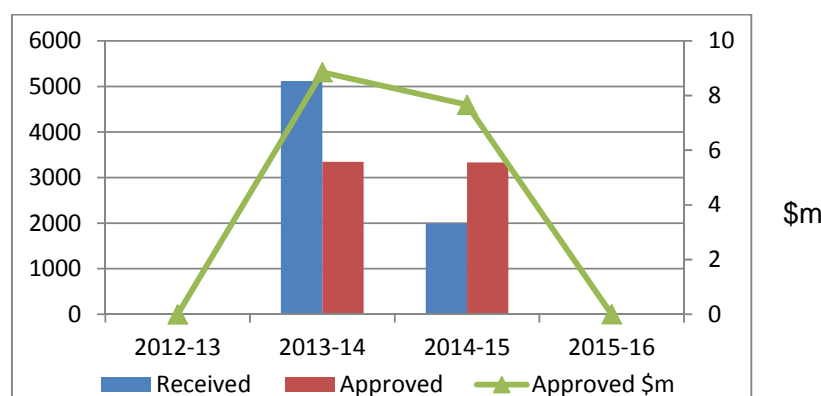
Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

## 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 processed ten applications for Drought Transport Assistance during 2015-16 with one application for \$724 approved.

The following chart shows Drought Transport Assistance applications received and approved over the past four years.



Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

## Farm Business Skills Professional Development Program

**Objective:** Skills and training

The Farm Business Skills Professional Development Program (FBS Program) has been developed to support farm business in all conditions, but particularly in relation to preparing for and responding to drought. Funding of \$45 million over five years was announced as part of the 2015 NSW Drought Strategy.

The FBS Program provides farm businesses with:

- the opportunity to acquire the knowledge and skills to build improved resilience and adaptability in the agricultural business
- exposure to new ideas, tools and techniques that businesses can use
- a range of products and services that engage the wide diversity of skills, knowledge and experience within the agricultural business sector
- a focus on building the skills and knowledge of agricultural businesses to manage risk, financial and business planning or decision making capacity.

Three professional development priority areas have been identified:

- Risk management
- Financial and business management
- Farm business planning/drought preparedness.

The FBS Program opened on 3 November 2015. During 2015-16 the RAA completed registration of 82 pre-approved courses from 29 education and services providers. This represents 2,275 pre-approved training places. Additionally, 38 farmers have sought approval to undertake tailored business skills training. The financial commitment for this level of activity amounted to \$2.50 million for pre-approved courses and \$1.10 million for farmer initiated activities.

85 claims for reimbursement totalling \$103,851 have also been paid.

## 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 was delivered by the RAA on behalf of the NSW Environmental Trust and the NSW Office of Environment and Heritage (OEH) and provided subsidies to a maximum of 50 per cent of the cost of installation on eligible properties, of permanent exclusion bat netting.

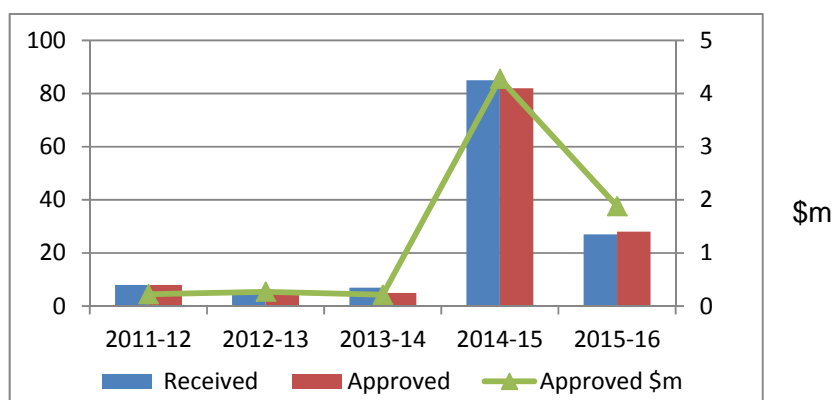
Applications for the Flying-Fox Netting Subsidy closed on 17 March 2016 as the program was fully subscribed.

The program was scheduled to conclude on 30 June 2016. An extension of the term to expend funds under the program was approved by the Environmental Trust on 30 March 2016 to allow growers who have had funding approved, however have not yet completed works, to forward invoices for reimbursement of costs upon completion of their works to the RAA before 15 June 2017. This will allow claims for reimbursement to be processed prior to the new scheduled scheme closure date of 30 June 2017.

The OEH committed a total of \$7.078 million to the program which includes administrative costs paid to the RAA for the life of the program of \$250,000.

The RAA received 27 applications for the Flying-Fox Netting Subsidy in 2015-16 financial year with \$1.89 million in assistance approved.

The following chart shows Flying-Fox Netting Subsidy applications received and approved over the past five years.



Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

## Commercial Fisheries Business Adjustment Program

**Objective:** Restructure of the commercial fishing industry

An independent review of NSW commercial fisheries policy, management and administration completed in 2011-12 identified that while some fishers are profitable, the overall viability of the industry has been reduced by factors including the loss of significant fishing grounds, an increased range and volume of cheap seafood imports and increasing costs.

The Commercial Fisheries Business Adjustment Program (BAP) which is delivered by the RAA on behalf of Department of Primary Industries – Fisheries, has been designed to assist the commercial fishing industry to manage restructure impacts with assistance measures available to fishers exiting the industry and for fishers who remain in the industry to expand their operations and improve business viability.

Assistance available through the RAA includes:

- grants to commercial fishers for independent financial advice
- grants to cooperatives for specialist business advice
- retraining assistance for commercial fishers who choose to leave the industry
- low interest rate loans to assist fishers who are currently leasing licences to enter the industry through the purchase of a fishing business
- low interest rate loans to assist commercial fishers with the purchase of additional shares to expand their fishing operations.

The BAP opened for applications on 31 May 2016 with applications for low interest rate loans for the purchase of additional shares or to purchase a fishing business to close on 31 August 2016.

The program will close on 1 June 2018, or earlier if all funds have been committed.

During 2015-16 the RAA received 5 applications for Commercial Fisheries Business Adjustment program loans with one advance for \$80,000 approved. A further two applications for Financial Advice grants were received with one application for \$770 approved. All other applications are currently being considered.

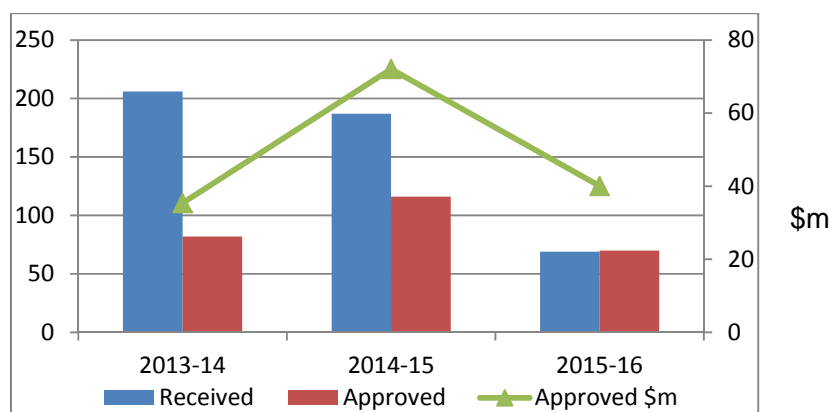
In addition, the RAA will be disbursing funds through the Adjustment Subsidy Program (ASP) on behalf of Department of Primary Industries – Fisheries. This gives fishing business owners options to consolidate or sell shares from a fishing business and then cancel the fishing business.

## Commonwealth Government Concessional Loans

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

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

The following chart shows Commonwealth Government Concessional Loans received and approved over the past three years.



Please refer to Applications for Assistance Summary on Page 22 for further details of applications processed.

### Drought

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

The 2015-16 round of Drought Concessional Loans was capped in NSW at \$30 million with applications opening on 3 September 2015. The funding round was originally scheduled to close on 30 June 2016, however was subsequently extended to 31 October 2016 to allow additional time for receipt of applications while negotiations were completed for funding arrangements into the future.

During 2015-16 the RAA received 38 applications for Drought Concessional loans with \$22.48 million in assistance approved.

### Drought Recovery

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

The 2015-16 round of Drought Recovery Concessional Loans was capped in NSW at \$25 million with applications opening on 3 September 2015. The funding round was originally scheduled to close on 30 June 2016, however was subsequently extended to 31 October 2016 to allow additional time for receipt of applications while negotiations were completed for funding arrangements into the future.

During 2015-16 the RAA received 29 applications for Drought Recovery Concessional loans with \$13.57 million in assistance approved.

## Farm Finance

Farm Finance Concessional Loans were introduced in August 2013 with the aim of building the ongoing financial resilience of farmers struggling with high levels of debt. This assistance measure closed on 30 June 2015.

During 2015-16 the RAA completed processing of applications received with a further seven applications and \$3.99 million in assistance approved.

During the life of the scheme 108 applications and \$46.86 million in assistance was approved.

## Emergency Water Infrastructure Rebate

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

During 2015-16 the RAA completed processing of applications for the Emergency Water Infrastructure Rebate (EWIR) which was reintroduced in January 2015 to support the State's most drought-affected farmers to install water infrastructure on their properties for animal welfare needs.

Applications for this assistance measure closed on 30 June 2015. No further assistance for this measure was approved.

## Disaster Reimbursement Grants

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

During 2015-16 the RAA completed processing of applications for the Disaster Reimbursement Grants to assist primary producers affected by a severe hail and wind storm in the Sunraysia region in November 2014.

Applications for this assistance measure closed on 30 June 2015. One further application and \$10,000 in assistance was approved making a total of \$424,365 in assistance approved during the life of the scheme.

## STATISTICS ON APPLICATIONS AND APPROVALS

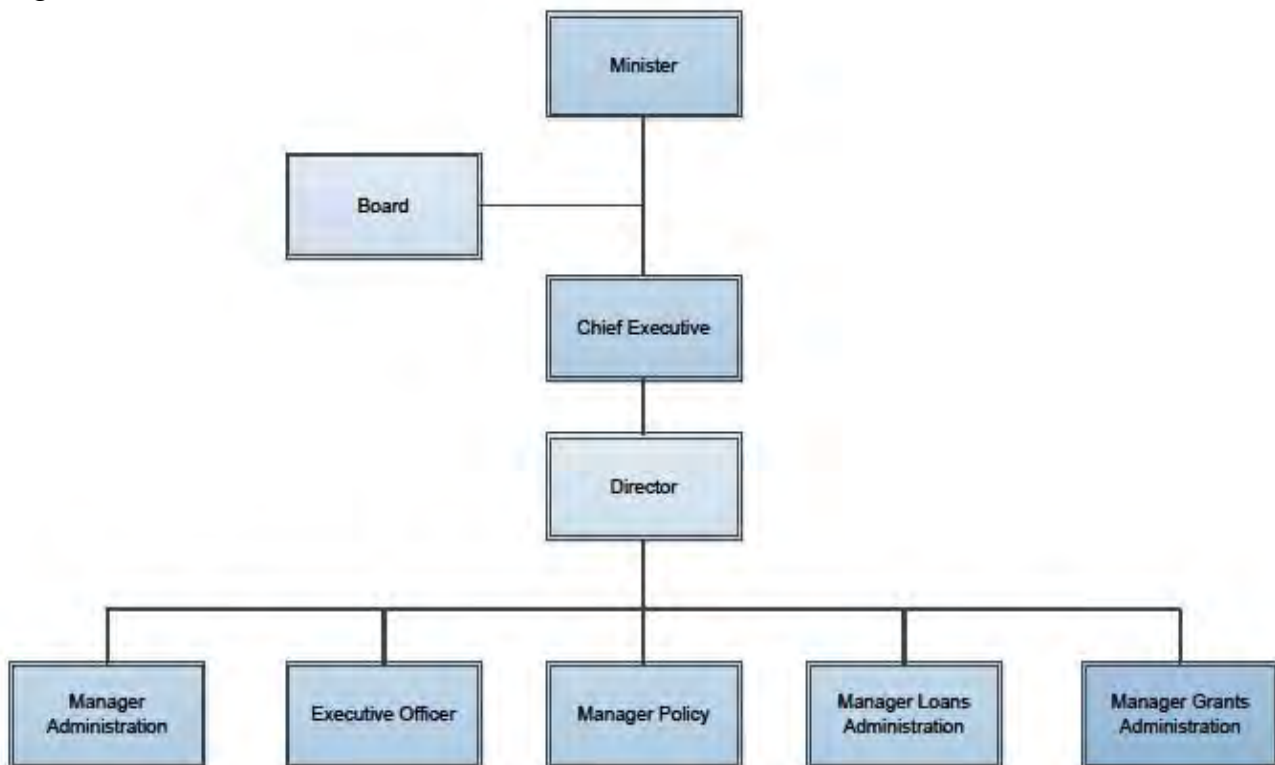
Applications for Assistance Summary - 2015-16							
	On Hand 1.07.15	Received (No.)	W/drawn (No.)	Declined (No.)	Approved (No.)	Approved \$	Pending 30.06.16
<b>Farm Innovation Fund Loans</b>							
Preparedness	37	82	23	9	83	10,031,106	4
Environmental	5	11	5	1	8	1,155,000	2
Infrastructure	88	355	53	15	358	60,305,214	17
Natural Resource	0	1	0	1	0	0	0
<b>Sub Total</b>	<b>130</b>	<b>449</b>	<b>81</b>	<b>26</b>	<b>449</b>	<b>71,491,320</b>	<b>23</b>
<b>Natural Disaster Relief Assistance - Loans</b>							
Primary Producer	6	28	2	15	15	1,247,900	2
Small Business	0	4	2	0	2	108,000	0
Non Profit	0	1	0	0	1	10,000	0
<b>Sub Total</b>	<b>6</b>	<b>33</b>	<b>4</b>	<b>15</b>	<b>18</b>	<b>1,365,900</b>	<b>2</b>
<b>Natural Disaster Relief Assistance - Grants</b>							
Primary Producer	14	346	0	77	283	3,434,005	0
<b>Sub Total</b>	<b>14</b>	<b>346</b>	<b>0</b>	<b>77</b>	<b>283</b>	<b>3,434,005</b>	<b>0</b>
<b>Transport Assistance</b>							
Disaster	1	75	0	14	62	154,322	0
Drought	1	9	0	9	1	724	0
Animal Welfare	4	12	0	5	11	67,171	0
Donated Fodder	8	37	2	3	40	929,889	0
<b>Sub Total</b>	<b>14</b>	<b>133</b>	<b>2</b>	<b>31</b>	<b>114</b>	<b>1,152,106</b>	<b>0</b>
<b>Concessional Loans</b>							
Farm Finance	9	2	2	2	7	3,992,500	0
Drought	14	38	1	10	37	22,478,300	4
Drought Recovery	8	29	1	8	26	13,566,500	2
<b>Sub Total</b>	<b>31</b>	<b>69</b>	<b>4</b>	<b>20</b>	<b>70</b>	<b>40,037,300</b>	<b>6</b>
<b>Flying-Fox Netting Subsidy</b>							
Netting Subsidy	1	27	0	0	28	1,887,250	0
<b>Sub Total</b>	<b>1</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>1,887,250</b>	<b>0</b>
<b>Commercial Fisheries Business Adjustment Program - Loans</b>							
Shareholder	0	5	0	0	1	80,000	4
Nominated	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>80,000</b>	<b>4</b>
<b>Fisheries Business Adjustment Program - Grants</b>							
Financial Advice	0	2	0	0	1	770	1
Re-Training	0	0	0	0	0	0	0
Co-Operatives	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>770</b>	<b>1</b>



Applications for Assistance Summary - 2015-16							
	On Hand 1.07.15	Received (No.)	W/drawn (No.)	Declined (No.)	Approved (No.)	Approved \$	Pending 30.06.16
<b>Farm Business Skills - Professional Development Program</b>							
Risk	0	0	0	0	0	0	0
Financial	0	4	0	0	0	0	4
Plan/Prepare	0	89	0	3	85	103,851	1
<b>Sub Total</b>	<b>0</b>	<b>93</b>	<b>0</b>	<b>3</b>	<b>85</b>	<b>103,851</b>	<b>5</b>
<b>Emergency Water Infrastructure Rebate</b>							
EWIR	11	0	2	9	0	0	0
<b>Sub Total</b>	<b>11</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Disaster Reimbursement Grant</b>							
Sunraysia	2	1	0	2	1	10,000	0
<b>Sub Total</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>10,000</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>209</b>	<b>1,158</b>	<b>93</b>	<b>183</b>	<b>1,050</b>	<b>119,562,502</b>	<b>41</b>

## MANAGEMENT AND STRUCTURE

### 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, FAICD)**, was the Managing Director of Meat and Livestock Australia (MLA) for five 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 six years as the Executive Director of the Cattle Council of Australia. Mr Palmer was also a director of AUS-MEAT Limited and chaired the 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 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. He also chairs the NSW Biosecurity Advisory Committee as NSW prepares for the introduction of the new Biosecurity Act in 2017; and is on the review panel for the 2016 Review of I-GAB (Inter Government Agreement on Biosecurity).

Appointed – 1 July 2012

Appointed as Chair – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2018

**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 – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2016

**Mrs 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.

Mrs 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.

Mrs 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 – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2017

**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.

Mrs Gibson 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. She 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 – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2018

**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 – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2017

**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 the Chair of the Canberra Region Joint Organisation of Councils.

Appointed – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2016

### **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 joined the then NSW 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 2015–16 the Board held meetings as follows:

**27 July 2015** – Teleconference

**8 September 2015** - Teleconference

**12 October 2015** - NSW Department of Primary Industries, MLC Centre, SYDNEY

**3 December 2015** - NSW Rural Assistance Authority, ORANGE

**8 February 2016** - Teleconference

**9 March 2016** - NSW Department of Primary Industries, MLC Centre, SYDNEY

**11 April 2016** - Teleconference

**18 May 2016** – Hyde Park Inn, 271 Elizabeth Street, SYDNEY

**21 June 2016** – Teleconference

Board Member	Meetings Eligible to Attend	Meetings Attended
Mr David Palmer	9	9
Mr Robert Brown	9	7
Mrs Barbara Clark	9	8
Mrs Markeeta Gibson	9	8
Mr Andrew Locke	9	6
Mrs Wendy Tuckerman	9	4
Mr Michael Bullen	9	8

## Senior Officers

### **Mr Michael Bullen, BScFor, MBA, 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, BSc, MAICD** **Director**

Mr Newcombe commenced with the RAA as Acting General Manager in October 2013 and was appointed as Director in July 2015. 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.

**Ms Cheryl Pope, BSc, BEc, MBA, MSc, MSTC Grad Dip (An Breeding Mgmt), MAICD  
Executive Officer**

Ms Pope joined the Authority in November 2013. Prior to this she managed the NSW DPI Rural Support Worker (now Rural Resilience) program. She is responsible for supporting the Regional Assistance Advisory Committee (RAAC) and has managed the development and implementation of the Farm Business Skills Professional Development Program. Ms Pope also works closely with the Bureau of Meteorology to implement the weather infrastructure improvements funded through the 2015 NSW Drought Strategy.

**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 RAA's policies and objectives.

## CORPORATE SERVICES

The NSW Department of Industry 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 Auditors Report



### INDEPENDENT AUDITOR'S REPORT

#### New South Wales Rural Assistance Authority

To Members of the New South Wales Parliament

#### Opinion

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 2016, 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.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2016, 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.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Authority in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

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



### **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.

In preparing the financial statements, the Chief Executive must assess the Authority's ability to continue as a going concern unless the Authority will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Authority carried out its activities effectively, efficiently and economically
- 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.



C J Giumelli  
Director, Financial Audit Services

30 September 2016  
SYDNEY

## Certificate under Section 41C

### 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, we 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 2016;
- (c) at the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.



Michael Bullen  
Chief Executive Officer

28 September 2016

Date



David Palmer  
Chairman

28<sup>th</sup> September 2016.

Date

## Audited Financial Statements

### Beginning of audited financial statements

#### NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
<b>Expenses excluding losses</b>				
Operating expenses				
Personnel services	2(a)	2,356	-	2,553
Other operating expenses	2(b)	3,298	4,872	2,976
Depreciation and amortisation	2(c)	22	9	16
Grants and subsidies	2(d)	9,366	37,353	12,560
Finance costs	2(e)	10,347	18,595	8,449
<b>Total Expenses excluding losses</b>		<b>25,389</b>	<b>60,829</b>	<b>26,554</b>
<b>Revenue</b>				
Sales of goods and services		-	564	-
Investment revenue	3(a)	10,532	18,656	9,123
Grants and contributions	3(b)	14,355	25,648	40,921
Acceptance by the Crown Entity of employee benefits and other liabilities	5	219	-	214
Other revenue	3(c)	1,157	1,184	954
<b>Total Revenue</b>		<b>26,263</b>	<b>46,052</b>	<b>51,212</b>
<b>Other gains / (losses)</b>	4	<b>(86)</b>	<b>-</b>	<b>(749)</b>
<b>Net Result</b>		<b>788</b>	<b>(14,777)</b>	<b>23,909</b>
<b>Other comprehensive income</b>				
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>788</b>	<b>(14,777)</b>	<b>23,909</b>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	Notes	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	7	74,872	43,547	141,206
Receivables	8	1,768	2,429	12,234
Other financial assets	9	17,997	17,787	17,369
<b>Total Current Assets</b>		<b>94,637</b>	<b>63,763</b>	<b>170,809</b>
<b>Non-Current Assets</b>				
Other financial assets	9	261,556	253,803	182,357
Plant and equipment	10	43	115	64
Intangible assets	11	2	15	14
<b>Total Non-Current Assets</b>		<b>261,601</b>	<b>253,933</b>	<b>182,435</b>
<b>Total Assets</b>		<b>356,238</b>	<b>317,696</b>	<b>353,244</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	13	11,378	2,023	13,221
Borrowings	14	49,708	17,854	96,855
Provisions	15	385	1,955	933
Other		-	1,950	-
<b>Total Current Liabilities</b>		<b>61,471</b>	<b>23,782</b>	<b>111,009</b>
<b>Non-Current Liabilities</b>				
Borrowings	14	270,621	296,436	218,879
Provisions	15	14	-	12
Other		-	7	-
<b>Total Non-Current Liabilities</b>		<b>270,635</b>	<b>296,443</b>	<b>218,891</b>
<b>Total Liabilities</b>		<b>332,106</b>	<b>320,225</b>	<b>329,900</b>
<b>Net Assets</b>		<b>24,132</b>	<b>(2,529)</b>	<b>23,344</b>
<b>EQUITY</b>				
Accumulated funds		24,132	(2,529)	23,344
<b>Total Equity</b>		<b>24,132</b>	<b>(2,529)</b>	<b>23,344</b>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Accumulated Funds \$000</b>	<b>Total \$000</b>
<b>Balance at 1 July 2015</b>	<b>23,344</b>	<b>23,344</b>
Net result for the year	788	788
Total other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>788</b>	<b>788</b>
<b>Balance at 30 June 2016</b>	<b>24,132</b>	<b>24,132</b>
<b>Balance at 1 July 2014</b>	<b>(565)</b>	<b>(565)</b>
Net result for the year	23,909	23,909
Total other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>23,909</b>	<b>23,909</b>
<b>Balance at 30 June 2015</b>	<b>23,344</b>	<b>23,344</b>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Personnel services		(2,390)	-	(2,291)
Grants and subsidies		(9,968)	(20,850)	(41,497)
Finance costs		(10,624)	(11,595)	(5,891)
Other		(6,174)	(20,988)	(6,569)
<b>Total Payments</b>		<b>(29,156)</b>	<b>(53,433)</b>	<b>(56,248)</b>
<b>Receipts</b>				
Sale of goods and services		-	564	-
Interest received		11,567	311	6,134
Grants and contributions		24,431	17,132	30,742
Other		2,131	7,594	1,904
<b>Total Receipts</b>		<b>38,129</b>	<b>25,601</b>	<b>38,780</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	19	<b>8,973</b>	<b>(27,832)</b>	<b>(17,468)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Advance repayments received		40,781	35,205	25,849
Purchases of plant and equipment		11	(50)	(43)
Advances made		(120,693)	(17,001)	(72,349)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(79,901)</b>	<b>18,154</b>	<b>(46,543)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings and advances		98,123	17,000	173,051
Repayment of borrowings and advances		(93,529)	(22,690)	(29,168)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>4,594</b>	<b>(5,690)</b>	<b>143,883</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>(66,334)</b>	<b>(15,368)</b>	<b>79,872</b>
Opening cash and cash equivalents		141,206	58,915	61,334
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	7	<b>74,872</b>	<b>43,547</b>	<b>141,206</b>

The accompanying notes form part of these financial statements.



# Notes to the Financial Statements

## NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting entity

The NSW Rural Assistance Authority (the Authority), is a NSW government entity and was established under the Rural Assistance Act 1989. The Authority is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The Authority is consolidated as part of the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2016 have been authorised for issue by the Board on the date the accompanying statement in accordance with section 41(C) of the Public Finance and Audit Act 1983 was signed.

#### (b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *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.

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 except where specified otherwise.

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

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

#### (c) Statement of compliance

The 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 NSW general government sector agencies.

#### (e) Grants and subsidies paid

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

#### (f) Insurance

The Authority is insured as part of NSW Department of Industry, Skills and Regional Development (NSW Department of Industry). NSW Department of Industry'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 claims experience.

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

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

- amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition 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 Authority for GST purposes and the GST component of all the Scheme's transactions are included within the Authority's accounts.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 grants from NSW Department of Industry. Except as specified below, contributions from other bodies are recognised as income when the Authority 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 13 as part of 'Current Liabilities – Payables'.

(i) Assets

(i) Acquisitions of assets

Assets acquired are initially recognised at cost. 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 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 measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

(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 the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions 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 Authority revalues its 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 Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under *AASB 136 Impairment 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.



**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Assets (continued)**

**(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 Authority.

All material separately identifiable components of assets are depreciated separately over their 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 Authority are restricted to an operating lease for office accommodation.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

**(viii) Intangible assets**

The Authority recognises intangible assets only if it is probable that future economic benefits will flow to the Authority 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 Authority's intangible software assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The Authority's intangible assets are amortised using the straight line method over a period of 10 years.

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

The Authority has a loan advance from the Commonwealth to fund a Farm Finance Concessional Loan Scheme. The Authority 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 Authority 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 Authority to repay Treasury or the Commonwealth is forgiven.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Assets (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 Authority will not be able to collect all amounts due.

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

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

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

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

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

**(j) Liabilities**

**(i) Payables**

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

**(ii) Borrowings**

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest method. Gains or losses are recognised in the net result for the year on de-recognition.

**(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 Department of Industry. From this date all payments to employees and related obligations are processed in Department of Industry 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 Department of Industry. 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 the 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.



**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) Liabilities (continued)**

**(c) Long service leave and superannuation**

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

Long service leave is measured at present value in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors (specified in 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. 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.

**(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 tax, workers' compensation insurance premiums and fringe benefits tax.

**(iv) Other Provisions**

Other provisions exist when: the Authority 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 Authority'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 Authority 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 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 18.

**(n) Comparative information**

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

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(o) New Australian Accounting Standards issued and are effective**

The following new Australian Accounting Standards have been issued and are now effective for the first time at 30 June 2016.

- AASB 2015-3 amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031
- Materiality

**(p) New Australian Accounting Standards issued but not effective**

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective. The Authority has not early adopted any of these new standards or amendments.

- AASB 9 and AASB 2014-7 regarding financial instruments (1 Jan 2018)
- AASB 15, AASB 2014-5 and AASB 2015-8 regarding Revenue from Contracts with Customers (1 Jan 2018)
- AASB 1057 and AASB 2015-9 Application of Australian Accounting Standards (1 Jan 2016)
- AASB 2014-4 regarding acceptable methods of depreciation and amortisation (1 Jan 2016)
- AASB 2014-9 regarding equity method in separate financial statements
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle (1 Jan 2016)
- AASB 2015-2 regarding amendments to AASB 101 disclosure initiative (1 Jan 2016)
- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (1 Jul 2016)
- AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities (1 Jul 2016)
- AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs (1 Jan 2016)
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 107 (1 Jan 2017)
- AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities (1 Jan 2017)

When applied in future periods, they are not expected to have a material impact on the financial statements of the Authority, unless otherwise detailed below:

**AASB 15 Revenue from Contracts with Customers**

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. The Standard is expected to apply to the Authority for financial periods beginning 1 July 2018. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The application of AASB 15 may have impact on the Authority's revenue recognition policies. However, until the AASB finalises its deliberations on ED 260, management has not been able to reasonably estimate the possible future impacts of this standard.

**AASB 9 Financial Instruments**

AASB 9 will apply to the Authority for financial periods beginning 1 July 2018. The Standard includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.

As this Standard will be first applied to the Authority's 30 June 2019 financial statements, management is unable to reliably estimate the potential future impacts of this new standard at this time.

**AASB 124 Related Party Disclosure**

AASB 124 will apply to the Authority for financial periods beginning 1 July 2016. This is expected to have an effect on the amount of disclosure in RAA surrounding related party transactions.

This amendment is to be applied prospectively with no comparatives required in the first reporting period and does not change any recognition or measurement concepts and is purely a disclosure change.

Further, as noted in Note 1 (j) (iii) (a), all the staff are employed by NSW Department of Industry. Consequently, the Authority may be exempted from the disclosure on the key management personnel compensation.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. EXPENSES EXCLUDING LOSSES

	2016	2015
	\$000	\$000
<b>(a) Personnel services</b>		
Salaries and wages (including recreation leave)	1,845	2,015
Superannuation	181	187
Long service leave	191	206
Workers compensation insurance	5	7
Payroll tax and fringe benefits tax	134	138
	<b>2,356</b>	<b>2,553</b>
<b>(b) Other operating expenses include the following:</b>		
Administration fees	449	336
Advertising and promotion	20	9
Auditor's remuneration – audit of financial statements	95	112
Bad and doubtful debts	5	5
Computer software fees	19	14
Consultancy	100	136
Contractors and other fees	899	714
Insurance	5	5
Legal fees	4	-
Maintenance*	4	12
Motor vehicle expenses	8	10
Other operating	370	293
Rent	239	276
Rural Support Program	1,000	950
Telecommunication	7	9
Training and staff development	21	20
Travel	53	75
	<b>3,298</b>	<b>2,976</b>
<b>Maintenance Reconciliation</b>		
* Maintenance expense - contracted labour and other (non-employee related), as above	4	12
Employee related maintenance expense included in Note 2(a)	-	-
<b>Total Maintenance expenses included in Note 2(a) + 2(b)</b>	<b>4</b>	<b>12</b>
<b>(c) Depreciation and amortisation expense</b>		
Plant and equipment	21	14
Amortisation of intangible assets	1	2
	<b>22</b>	<b>16</b>
<b>(d) Grants and subsidies</b>		
Rural Financial Counsellors	720	-
Natural Disaster Relief Grants	3,193	346
Emergency Water	-	6,283
Flying Fox Netting Subsidy	1,806	4,234
Drought Regional Initiatives	1,353	616
Dairy Industry Fund	100	82
Farm Business Skills	122	-
Fisheries Adjustment Grants	3	-
Grants expense on low interest loans	2,069	999
	<b>9,366</b>	<b>12,560</b>
<b>(e) Finance costs</b>		
Interest on Treasury advance	4,483	4,204
Interest on Commonwealth loans	3,300	1,687
Amortised interest expense	2,564	2,558
	<b>10,347</b>	<b>8,449</b>



NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

3. REVENUE

	2016 \$000	2015 \$000
<b>(a) Investment revenue</b>		
Interest	185	590
Interest income on loans	7,783	5,975
Amortised interest revenue	2,564	2,558
	<u>10,532</u>	<u>9,123</u>
<b>(b) Grants and contributions</b>		
Transfer payment from NSW Department of Industry	7,210	34,407
Capital Grant from NSW Department of Industry	25	50
Grant revenue on low interest loan	2,069	999
Grant from Environmental Trust	1,528	3,300
Reimbursement for Natural Disaster Relief Grants	3,523	32
Dairy Industry Fund	-	1,021
Flying Fox Netting Subsidy	-	1,112
	<u>14,355</u>	<u>40,921</u>
<b>(c) Other revenue</b>		
Forgiveness of liabilities - Treasury	115	241
Loan and grant administration fee	1,000	700
Other revenue	42	13
	<u>1,157</u>	<u>954</u>

4. OTHER GAINS / (LOSSES)

	2016 \$000	2015 \$000
Impairment of receivables	(86)	(749)
<b>Net other gains / (losses)</b>	<u>(86)</u>	<u>(749)</u>

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

	2016 \$000	2015 \$000
The following liabilities and/or expenses have been assumed by the Crown Entity or other Government agencies:		
Superannuation	44	33
Long service leave	173	179
Payroll tax	2	2
	<u>219</u>	<u>214</u>

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

6. 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.

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2016	2015
	\$000	\$000
Cash at bank and on hand	74,872	141,206
	<u>74,872</u>	<u>141,206</u>

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)	74,872	141,206
Closing cash and cash equivalents (per statement of cash flows)	<u>74,872</u>	<u>141,206</u>

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

8. CURRENT ASSETS - RECEIVABLES

	2016	2015
	\$000	\$000
<b>CURRENT</b>		
Accrued revenue	-	9,451
Interest receivable	88	1,009
Interest receivable - interest on loans	1,578	1,692
Net GST	88	68
Personnel services	14	14
	<u>1,768</u>	<u>12,234</u>

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

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

	2016	2015
	\$000	\$000
<b>CURRENT</b>		
Advances receivable - loans to clients	18,325	17,610
Less: Allowance for impairment	(328)	(241)
	<u>17,997</u>	<u>17,369</u>
<b>NON-CURRENT</b>		
Advances receivable - loans to clients	261,914	182,837
Less: Allowance for impairment	(358)	(480)
	<u>261,556</u>	<u>182,357</u>

**Movement in the allowance for impairment**

Balance at 1 July	721	212
Amounts written off during the year	(121)	(240)
Increase/(decrease) in allowance recognised in profit or loss	86	749
<b>Balance at 30 June</b>	<u>686</u>	<u>721</u>

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
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10. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT

	Plant and Equipment \$'000
<b>At 1 July 2015 - fair value</b>	
Gross carrying amount	134
Accumulated depreciation and impairment	(70)
<b>Net carrying amount</b>	<u>64</u>
<b>At 30 June 2016 - fair value</b>	
Gross carrying amount	134
Accumulated depreciation and impairment	(91)
<b>Net carrying amount</b>	<u>43</u>
<b>Reconciliation</b>	
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.	
<b>Year ended 30 June 2016</b>	
Net carrying amount at start of year	64
Additions	-
Disposals	-
Depreciation expense	(21)
Write back on disposal	-
<b>Net carrying amount at end of year</b>	<u>43</u>
<b>At 1 July 2014 - fair value</b>	
Gross carrying amount	91
Accumulated depreciation and impairment	(56)
<b>Net carrying amount</b>	<u>35</u>
<b>At 30 June 2015 - fair value</b>	
Gross carrying amount	134
Accumulated depreciation and impairment	(70)
<b>Net carrying amount</b>	<u>64</u>
<b>Reconciliation</b>	
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:	
<b>Year ended 30 June 2015</b>	
Net carrying amount at start of year	35
Additions	43
Disposals	-
Depreciation expense	(14)
Write back on disposal	-
<b>Net carrying amount at end of year</b>	<u>64</u>



NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

11. INTANGIBLE ASSETS

	Total \$'000
<b>At 1 July 2015</b>	
Cost (gross carrying amount)	16
Accumulated amortisation and impairment	(2)
<b>Net Carrying amount</b>	<u>14</u>
<b>At 30 June 2016</b>	
Cost (gross carrying amount)	5
Accumulated amortisation and impairment	(3)
<b>Net Carrying amount</b>	<u>2</u>
<b>Year ended 30 June 2016</b>	
Net carrying amount at start of year	14
Additions	-
Disposals	-
Write back	(11)
Amortisation (recognised in 'depreciation and amortisation')	(1)
<b>Net carrying amount at end year</b>	<u>2</u>
<b>At 1 July 2014</b>	
Cost (gross carrying amount)	16
Accumulated amortisation and impairment	-
<b>Net Carrying amount</b>	<u>16</u>
<b>At 30 June 2015</b>	
Cost (gross carrying amount)	16
Accumulated amortisation and impairment	(2)
<b>Net Carrying amount</b>	<u>14</u>
<b>Year ended 30 June 2015</b>	
Net carrying amount at start of year	16
Additions / transfers	-
Disposals / revaluations / transfers	-
Impairment losses	-
Amortisation (recognised in 'depreciation and amortisation')	(2)
<b>Net carrying amount at end of year</b>	<u>14</u>

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

12. RESTRICTED ASSETS

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

	2016 \$000	2015 \$000
<b>CURRENT</b>		
Commonwealth Loan Scheme	44,820	117,786
Crown	3,445	3,027
Dairy Industry Fund	839	1,021
Fish Buyout Scheme Funding	16,503	16,503
Flying Fox Netting subsidy	1,572	2,174
	<b>67,179</b>	<b>140,511</b>

13. CURRENT LIABILITIES - PAYABLES

	2016 \$000	2015 \$000
<b>CURRENT</b>		
Other taxes payable	2	8
Unearned revenue	3,125	2,500
Personnel services payable	48	89
Creditors	4,122	6,244
Creditors - Treasury	3,988	4,265
Other	93	115
	<b>11,378</b>	<b>13,221</b>

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

14. CURRENT/NON-CURRENT LIABILITIES - BORROWINGS

	2016 \$000	2015 \$000
<b>CURRENT</b>		
<b>Unsecured</b>		
Commonwealth Loan Agreement - Farm Finance	31,383	79,245
Treasury, NSW Loan Capital	18,325	17,610
	<b>49,708</b>	<b>96,855</b>
<b>NON-CURRENT</b>		
<b>Unsecured</b>		
Commonwealth Loan Agreement - Farm Finance	130,273	104,263
Treasury, NSW Loan Capital	140,348	114,616
	<b>270,621</b>	<b>218,879</b>

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

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

15. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

	2016 \$000	2015 \$000
<b>CURRENT</b>		
<b>Personnel Services Liabilities</b>		
Recreation leave	225	237
Long service leave	86	76
Payroll tax	54	47
	<u>365</u>	<u>360</u>
<b>Other provisions</b>		
Grant Payments:		
Fisheries Adjustment Grants	2	-
Flying Fox Netting Subsidy	-	30
Natural Disaster Relief Grants	-	245
Drought Regional Initiatives	18	298
	<u>20</u>	<u>573</u>
<b>Total current provisions</b>	<u>385</u>	<u>933</u>
Movement in provisions for grant payments		
Balance at 1 July	573	36,540
Additional provisions	20	573
Amounts used	(573)	(36,540)
Balance at 30 June	<u>20</u>	<u>573</u>
<b>NON-CURRENT</b>		
<b>Employee benefits and related on-costs</b>		
Long service leave	9	8
Payroll tax	5	4
	<u>14</u>	<u>12</u>
<b>Total non-current provisions</b>	<u>14</u>	<u>12</u>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions – current	365	360
Provisions – non-current	14	12
Personnel services payable	48	89
	<u>427</u>	<u>461</u>

16. COMMITMENTS FOR EXPENDITURE

	2016 \$000	2015 \$000
<b>(a) Other expenditure commitments</b>		
<b>(i) Loan commitments</b>		
(i) Commitments for the payments of Special Conservation Scheme and Natural Disaster Loans		
Not later than one year	101	812
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (excluding GST)</b>	<u>101</u>	<u>812</u>
The total of loan commitments does not include GST as they are financial supplies.		
(ii) Commitments for the payments of Commonwealth Farm Finance and Drought Concession Loans		
Not later than one year	8,708	36,040
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (excluding GST)</b>	<u>8,708</u>	<u>36,040</u>
The total of loan commitments does not include GST as they are financial supplies.		
(iii) Commitments for the payments of Farm Innovation Loans		
Not later than one year	49,520	30,580
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (excluding GST)</b>	<u>49,520</u>	<u>30,580</u>
The total of loan commitments does not include GST as they are financial supplies.		

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

16. COMMITMENTS FOR EXPENDITURE (continued)

	2016 \$000	2015 \$000
(iv) Commitments for the payments of NSW Fisheries Adjustment Loan		
Not later than one year	80	-
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (excluding GST)</b>	<b>80</b>	<b>-</b>

The total of loan commitments does not include GST as they are financial supplies.

(ii) Partnership Agreement - NSW Department of Industry		
Not later than one year	123	123
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (including GST)</b>	<b>123</b>	<b>123</b>

The total of 'Partnership Agreement' above include input tax credits of \$11,215 (2015: \$11,215). 66% of the GST is not recoverable (2016: \$7,402 and 2015: \$7,402).

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

(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	60
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (including GST)</b>	<b>60</b>	<b>60</b>

The total of 'office rent' above includes input tax credits of \$5,472 (2015: \$5,472). 66% is not recoverable (2016: \$3,612 and 2015: \$3,612). Under the lease agreement the Authority is required to provide 3 month notice to terminate the agreement.

17. CONTINGENT LIABILITIES

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.

18. BUDGET REVIEW

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

Net result

The net result was \$15.654m favourable to budget. This was due to the \$16.503m Commercial Fisheries Adjustment Scheme expenditure being carried forward to the 2016-17 financial year. There was an increase in revenue from the Environmental Trust for the Flying Fox Netting Scheme of \$1.528m.

Assets and liabilities

The total equity was \$26.750m favourable to budget. This was due to an increase in cash assets for non expenditure of the Commercial Fisheries Adjustment Scheme of \$16.503m and reduced activity in the Commonwealth loan schemes.

Cash flows

The net cash flow from operating activities was \$36.746m favourable to budget due to the Commercial Fisheries Adjustment Scheme \$16.503m not being expensed in 2015-2016 and subsequently being carried forward to the 2016-17 financial year. Additional funding of \$45.0m was provided for the Commonwealth Concessional Loans Scheme in 2015-16 with the agreement provided post budget estimates.

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

	2016 \$000	2015 \$000
<b>Net cash used on operating activities</b>	<b>8,973</b>	<b>(17,468)</b>
Depreciation and amortisation	(22)	(16)
Decrease / (increase) in provisions	546	28,622
Increase / (decrease) in receivables	(10,466)	9,807
Decrease / (increase) in creditors	1,843	2,964
Other gain / (loss)	(86)	-
<b>Net Result</b>	<b>788</b>	<b>23,909</b>



**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**20. FINANCIAL INSTRUMENTS**

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

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

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

**(a) Financial Instrument Categories**

Financial Assets	Notes	Category	Carrying Amount 2016 \$000	Carrying Amount 2015 \$000
<b>Class:</b>				
Cash and cash equivalents	7	N/A	74,872	141,206
Receivables <sup>1</sup>	8	Loans and receivables (at amortised cost)	1,680	12,166
Other financial assets	9	Loans and receivables (at amortised cost)	279,553	199,726
<b>Financial Liabilities</b>	<b>Notes</b>	<b>Category</b>	<b>Carrying Amount 2016 \$000</b>	<b>Carrying Amount 2015 \$000</b>
<b>Class:</b>				
Payables <sup>2</sup>	13	Financial liabilities measured at amortised cost	8,251	10,713
Borrowings	14	Financial liabilities measured at amortised cost	320,329	315,734

**Notes**

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

**(b) Credit Risk**

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

Credit risk arises from the financial assets of the Authority, including cash, receivables and authority deposits. Advances receivable - loans to clients 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 Authority has not granted any financial guarantees.

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

**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.

**Other financial assets**

Other financial assets represents loans advanced by the Authority to primary producers and small businesses under various schemes. The carrying amount of advances receivable - loans to clients represents the present value of the outstanding principal and interest raised not accrued. Collectability of advances receivable - loans to clients is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount of advances receivable - loans to clients (net of any allowance for impairment).

The interest rate on Natural Disaster Loans is currently 1.38%. The Farm Innovation Fund Loan is currently 2.00%. The rates are fixed at 50% of the 10-year Bond Rate for 1 year. The Drought Concessional 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 Drought Concessional Loans is 3.05%. The Drought Recovery 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 Drought Recovery Loans is 2.71%.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

**20. FINANCIAL INSTRUMENTS (continued)**

*Other financial assets (continued)*

Finance Innovation Fund 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 (2016: \$49.520m; 2015: \$30.580m). Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

The Authority is not materially exposed to 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 (2016: \$286.476m; 2015: \$189.517m) and past due (2016: \$1.328m; 2015: \$1.466m) are not considered impaired. Together, these represent 99.9% (2015: 99.9%) of the total loan debtors.

	Total <sup>1,2</sup> \$000	Past due but not impaired <sup>1,2</sup> \$000	Considered impaired <sup>1,2</sup> \$000
<b>2016</b>			
<3 months overdue	155	155	-
3 months - 6 months overdue	169	169	-
> 6 months overdue	1,302	1,004	298
<b>2015</b>			
<3 months overdue	302	300	2
3 months - 6 months overdue	222	222	-
> 6 months overdue	1,404	1,046	358

**Notes**

1. Each Column in the table reports "gross receivables".
2. 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" will not reconcile to the receivables total recognised in the statement of financial position.

*Authority Deposits*

The Authority has placed no funds on deposit with TCorp.

*Other Facilities*

The Authority has access to the following banking facilities:

	2016 \$000	2015 \$000
MasterCard Limit	25	25

The Authority has an annual loan drawdown facility of \$50m (2015: \$30m) with NSW Treasury based on application approvals.

**(c) Liquidity risk**

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

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in 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% (2015: 0%).

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

20. FINANCIAL INSTRUMENTS (continued)  
(c) Liquidity risk (continued)

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

	Weighted Average Effective Int. Rate	Nominal Amount <sup>1</sup> \$000	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$000	Variable Int. Rate \$000	Non-interest Bearing \$000	< 1 yrs	1 - 5 yrs	> 5 yrs
<b>2016</b>								
Payables	0.0%	8,251	-	-	8,251	8,251	-	-
Borrowings:								
Advances	3.0%	302,531	164,959	137,572	-	26,634	213,263	62,634
repayable								
		<b>310,782</b>	<b>164,959</b>	<b>137,572</b>	<b>8,251</b>	<b>34,885</b>	<b>213,263</b>	<b>62,634</b>
<b>2015</b>								
Payables	0.0%	13,221	-	-	13,221	13,221	-	-
Borrowings:								
Advances	3.44%	288,208	148,249	139,959	-	47,244	158,028	82,936
repayable								
		<b>301,429</b>	<b>148,249</b>	<b>139,959</b>	<b>13,221</b>	<b>60,465</b>	<b>158,028</b>	<b>82,936</b>

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 Authority can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the statements of financial position date. The analysis is performed on the same basis as for 2015. The analysis assumes that all other variables remain constant.

Interest rate risk

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



NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

20. FINANCIAL INSTRUMENTS (continued)

(d) Market risk (continued)

Interest rate risk (continued)

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

	Carrying Amount \$000	Net Result \$000 -1%	Equity \$000	Net Result \$000 +1%	Equity \$000
<b>2016</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	74,872	(749)	(749)	749	749
Receivables	1,680	-	-	-	-
Other financial assets (Fixed rate)	157,928	-	-	-	-
Other financial assets (Variable rate)	121,566	(1,216)	(1,216)	1,216	1,216
<b>Financial Liabilities</b>					
Payables	8,251	-	-	-	-
Borrowings (Fixed rate)	156,090	-	-	-	-
Borrowings (Variable rate)	164,239	(1,642)	(1,642)	1,642	1,642
<b>2015</b>					
<b>Financial Assets</b>					
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
<b>Financial Liabilities</b>					
Payables	10,713	-	-	-	-
Borrowings (Fixed rate)	211,471	-	-	-	-
Borrowings (Variable rate)	104,263	(1,043)	(1,043)	1,043	1,043

(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.

21. EVENTS AFTER THE REPORTING PERIOD

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: 2016–17
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 RAA 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: 2016–17

The following chart highlights expected Financial Indicators for the 2016–17 financial year.

Financial Indicators	2016-17 Budget \$000
Total Expenses excluding Losses	64,621
Total expenses include the following	
Other operating expenses	5,094
Depreciation and amortisation	22
Grants and subsidies	39,510
Finance costs	19,995
CAPITAL EXPENDITURE	50

### Total expenses

The RAA's total expenses for 2016–17 are budgeted at \$64.621 million.

The following are provided for in the 2016–17 budget:

- \$80 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
- \$1 million for Transport of Donated Fodder and the Transport Subsidy for Animal Welfare.

### 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 2015-2016 Financial Year for the NSW Rural Assistance Authority

I, David Palmer, Chair of the NSW Rural Assistance Authority Board am of the opinion that the NSW Rural Assistance Authority has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

#### Core Requirements

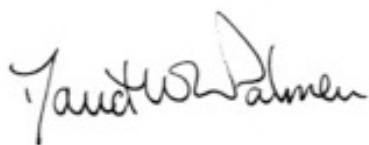
<b>Risk Management Framework</b>		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	<b>Compliant</b>
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO31000:2009	<b>Compliant</b>
<b>Internal Audit Function</b>		
2.1	An internal audit function has been established and maintained	<b>Compliant</b>
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	<b>Compliant</b>
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	<b>Compliant</b>
<b>Audit and Risk Committee</b>		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	<b>Compliant</b>
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	<b>Compliant</b>
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	<b>Compliant</b>

#### Membership

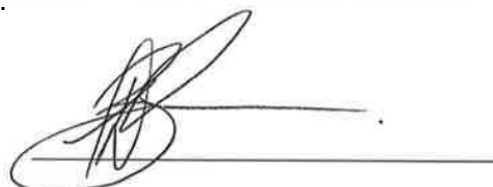
The chair and members of the Audit and Risk Committee are:

- Chair, Mrs Barbara Clark  
(term of appointment – 1 July 2015 to 30 June 2016);
- Independent Member, Mrs Markeeta Gibson  
(term of appointment – 1 July 2015 to 30 June 2016);
- Independent Member, Mr Robert Brown  
(term of appointment – 1 July 2015 to 30 June 2016);
- Non-Independent Member, Mrs Corinne Kennedy, Manager Policy  
(term of appointment – 1 July 2015 to 30 June 2016);

These processes, demonstrate that the NSW Rural Assistance Authority has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the NSW Rural Assistance Authority.



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



Darren Budworth  
Manager Financial Administration  
[darren.budworth@raa.nsw.gov.au](mailto:darren.budworth@raa.nsw.gov.au)  
02 6391 3020

### 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 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.

### Disaster Recovery

Disaster Recovery of the RAA's critical business systems is undertaken by the NSW Department of Industry Information Technology Services under Service Level Agreement.

Testing of the disaster recovery function is undertaken on a regular basis.

### Digital Information Security

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

Please refer to the consolidated Annual Report for NSW Department of Industry 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 2015–16 Workers' Compensation premium is included in the NSW Department of Industry Cluster premium due to NSW Rural Assistance Authority staff being employed by the Lead Cluster agency.

There were no worker's compensation claims received in 2015–16.

## Safety Inspections

Workplace inspections required under the *Work Health and Safety Act 2011* were conducted by Health Safety Representatives on a regular basis during 2015–16.

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

## 4. Consultants

Four contractors were engaged by the RAA in 2015-16 for a total cost of \$145,000.

One consultant was engaged for more than \$50,000:

The Independent Pricing & Regulatory Tribunal was engaged at a cost of \$100,000 (excluding GST) to complete the NSW Drought Program Evaluation Framework Review.

## 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 Department of Industry 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
<b>All Suppliers</b>				
Number of accounts due for payment	105	94	97	114
Number of accounts paid on time	105	94	97	114
Actual percentage of accounts paid on time (based on number of accounts)	100%	100%	100%	100%
Dollar amount of accounts for payment	2,718,240	4,117,599	2,295,881	3,187,411
Dollar amount of accounts paid on time	2,718,240	4,117,599	2,295,881	3,187,411
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
<b>Small Business Suppliers</b>				
Measure	September	December	March	June
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

Aged analysis at the end of each quarter					
Quarter	Current (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
	\$	\$	\$	\$	\$
<b>All Suppliers</b>					
September	2,718,240	0	0	0	0
December	4,117,599	0	0	0	0
March	2,295,881	0	0	0	0
June	3,187,411	0	0	0	0
<b>Small Business Suppliers</b>					
September	0	0	0	0	0
December	0	0	0	0	0
March	0	0	0	0	0
June	0	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 2015–16.
- The terms of payment on suppliers are reviewed to ensure that sufficient and reasonable time is afforded the RAA for payment.

- Small Business suppliers have been determined from those businesses which have identified as being a small business under Department of Premiers and Cabinet guidelines.

## 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 2015-16 the RAA began conversion of physical (paper) client files to digital records in compliance with the *Standard on Records Management* which was issued by State Records on 2 March 2015.

This project will involve new applications received being managed as digital files. All active client files will also be progressively scanned and saved to the RAA's Electronic Document Records Management System (EDRMS). The physical files will then be archived and together with inactive physical files which have already been archived, be held until they are destroyed in accordance with the RAA's General Disposal Authority.

As files are converted to digital records all new documentation received or generated by the RAA is also saved to the EDRMS. 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 procedures to manage any public interest disclosures by staff.

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

## 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](http://www.raa.nsw.gov.au)).

### Applications

The RAA is part of the NSW Department of Industry 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 the NSW Department of Industry.

## 11. Ombudsman

The RAA did not receive any enquiries from the NSW Ombudsman during 2015–16 in relation to schemes administered.

## 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 RAA no longer maintains a separate Work Health and Safety (WHS) Committee with an RAA representative participating in the NSW Department of Industry Head Office Building WHS Committee.

WHS procedures and policy form part of the induction program for RAA staff and are regularly reviewed to comply with the *Work Health and Safety Act 2011*.

Health and Safety Representatives (HSRs) work closely with and report any incidents to RAA management. During 2015-16 there were two WHS issues reported.

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

## 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 employed by the NSW Department of Industry.

Staff numbers				
Category	2013	2014	2015	2016
Senior Executive				
Band 1	1	1	1	1
Number filled by Women	0	0	0	0
Administrative and Clerical				
Assessment Staff	8	9	8	7
Legal	1	2	2	2
Finance, Administration and Other	12	10	9	9
<b>TOTAL</b>	<b>22</b>	<b>22</b>	<b>20</b>	<b>19</b>



Representation of workforce diversity target groups within levels									
Remuneration Level of Substantive Position	2013/14			2014/15			2015/16		
	Total Staff	Female	Nesb (1)	Total Staff	Female	Nesb (1)	Total Staff	Female	Nesb (1)
\$0 - \$44,683	0	0	0	0	0	0	0	0	0
\$44,683 - \$58,687	2	1	1	2	1	1	2	2	1
\$58,687 - \$63,801	2	1	0	2	1	0	2	2	0
\$63,801 - \$79,891	8	7	0	8	6	0	7	5	1
\$79,891 - \$110,560	3	1	1	4	2	1	4	1	0
\$110,560 - \$134,202	6	3	0	3	2	0	3	2	0
\$134,202 > (Non SE)	0	0	0	0	0	0	0	0	0
\$134,202 > (SE)	1	0	0	1	0	0	1	0	0
<b>Total</b>	<b>22</b>	<b>13</b>	<b>2</b>	<b>20</b>	<b>12</b>	<b>2</b>	<b>19</b>	<b>12</b>	<b>2</b>

1. Non-English speaking background
2. Employees on salaries below Clerical Officer Scale Grade 1, Year 6
3. Employees on salaries from Clerical Officer Grade 14, Year 6 to below minimum Administrative and Clerical Scale Grade 1

## Staff Education and Training

Assessment of training requirements continued in 2015-16 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.

Trends in the representation of workforce diversity groups					
Workforce Diversity Group	Benchmark/Target	% of Total Staff			
		2013	2014	2015	2016
Women	50%	59.1	59.1	60	63.1
Aboriginal people and Torres Strait Islanders	2.60%	0	0	0	0
People whose first language was not English	19%	9.1	9.1	10	10.5
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					
Distribution Index					
EEO Group	Benchmark or Target	2013	2014	2015	2016
Women	100	n/a	n/a	n/a	n/a
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	n/a	n/a	n/a	n/a
People with a disability	100	n/a	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

### Notes:

1. 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.

Representation and recruitment of aboriginal employees and employees with physical disabilities									
	2013/14			2014/15			2015/16		
	Total Staff	Aboriginal People	PWPD*	Total Staff	Aboriginal People	PWPD*	Total Staff	Aboriginal People	PWPD*
Total employees	22	0	0	20	0	0	19	0	0
Recruited in the year	0	0	0	0	0	0	1	0	0

## 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.

Disability Inclusion forms part of the induction program for RAA staff and is regularly reviewed to comply with the *Disability Inclusion Act 2014*.

A review of the RAA's Disability Inclusion Action Plan is being completed to comply with changes introduced with the Act and to complement the Disability Inclusion Plan released by the Department of Industry. The updated plan will be lodged with the NSW Department of Ageing, Disability and Home Care (DADHC).

No complaints have been received from people with a disability regarding the RAA's actions or access to its premises. No staff have required adjustment to their workplace in regards to a permanent disability.

## 17. Multicultural Planning

The RAA is committed to the *Multicultural NSW Act 2000* and the NSW Government's aims and objectives for multiculturalism as set out in the Multicultural Policies and Services Program to ensure that all members of society have access to government services and programs.

As part of the NSW Department of Industry departmental cluster the RAA has been included in the department's multicultural plan.

A review of the RAA's Multicultural Plan will be completed during 2016-17. The updated plan will be aligned with the NSW Department of Industry multicultural plan and will be lodged with Multicultural NSW.

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**ABBREVIATIONS**

BAP	Commercial Fisheries Business Adjustment Program
DADHC	NSW Department of Ageing, Disability and Home Care
DAFF	Department of Agriculture, Fisheries and Forestry
EEO	Equal Employment Opportunity
EDRMS	Electronic Document Records Management System
FBS Program	Farm Business Skills Professional Development Program
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 Department of Industry	NSW Department of Industry, Skills and Regional Development
OEH	NSW Office of Environment and Heritage
PWPD	People with a physical disability
RAA	NSW Rural Assistance Authority
RAAC	Regional Assistance Advisory Committee
RFCS	Rural Financial Counselling Service
State Records	State Records Authority of NSW
WHS	Work Health and Safety

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