

# NSW Rural Assistance Authority Annual Report 2012 - 2013

## **Annual report for the year ending 30 June 2013**

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This annual report summarises the activities and performance of the New South Wales Rural Assistance Authority for 2012–13. This and earlier annual reports are available on the Authority's website: [www.raa.nsw.gov.au](http://www.raa.nsw.gov.au). Copies are available on request from the Authority.

Our Reference: ROUT13/140

Telephone (Direct):

The Hon. Katrina Hodgkinson MP  
Minister for Primary Industries  
Minister for Small Business  
Level 30 Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

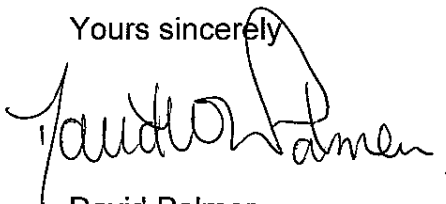
Dear Minister

We take pleasure in presenting on behalf of the members of the Board, the 2012-13 Annual Report for the NSW Rural Assistance Authority. This report is offered for your information and presentation to Parliament.

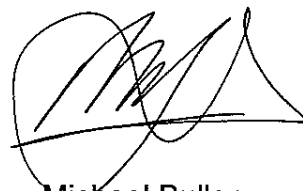
The report outlines the Authority's operational framework and highlights service delivery achievements to the primary production and small business sectors of regional and rural New South Wales.

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

Yours sincerely



David Palmer  
Chair



Michael Bullen  
Chief Executive

# TABLE OF CONTENTS

Chair's report	3
Financial Assistance	5
Performance at a Glance	5
Natural Disaster Relief Assistance	5
Special Conservation Scheme	8
Flying-Fox Netting Subsidy Program	9
Rebate on Road Transport	9
Other Assistance	
Farm Debt Mediation	9
Customer Service	10
Information and Education	11
Human Resources	11
Statistics on Applications and Approvals	13
Corporate Governance	17
Corporate Services	21
Financial Statements	22
NSW Rural Assistance Authority	22
Office of the Rural Assistance Authority	47
Appendices	58
Index	68

# CHAIR'S REPORT

A new NSW Rural Assistance Authority Board commenced in July 2012 and I am pleased to provide this first report as its Chair.

For those, like me, that are new to the NSW Rural Assistance Authority, this small dynamic NSW State Government Authority has the role of administering a wide range of assistance measures to the rural sector. It has done this effectively and efficiently for many years.

However the new Board acknowledges that the agricultural sector that we service continues to adapt to a challenging environment and as such the Authority must also change to meet these changing needs.

While the Authority continues to provide support to primary producers wishing to improve the Natural Resource base of their properties through the Special Conservation Scheme, a review of the scheme has been completed by the Board which will see demand for assistance increase and ensure it aligns with the drought measures announced by the NSW Government on 8 February 2013.

In addition to reviewing the Special Conservation Scheme the Board endorsed the need for a Rural Debt Survey throughout NSW with the cooperation of leading lending institutions. The Debt Survey remains a high priority for the Board and the Authority and it is anticipated to complete the project over coming months.

During this year the Minister announced a new Regional Assistance Advisory Committee to provide advice to the Minister on deteriorating seasonal conditions and suggested initiatives. As Chair of both the Board and Committee I consider these two groups provide a nice fit of complementary skills and can envisage a much closer working relationship in the months ahead that will ensure the delivery of better outcomes for the State's farmers.

With the Minister's ongoing support the Authority and Committee will continue to provide information and support that helps farm businesses and rural communities make informed decisions in preparing for adverse seasonal conditions and other natural disasters.

Bushfires were a major area of activity for the Authority during the year with 17 disaster declarations covering 107 Local Government areas, some of which were declared several times. This included the declarations for the devastating January Bushfires which affected large areas of the state and included 71 Local Government areas alone.

In contrast, parts of NSW were again inundated with flood waters during the 2012-2013 year with 23 Local Government areas declared a Natural Disaster event in January 2013 and a further 28 Local Government areas declared in February 2013.

Due to the extreme nature of some of these events additional assistance was made available in several areas and as such processing of these applications will continue into the new financial year.

In March 2013 the Authority began administering Transport Subsidies, on behalf of the NSW Department of Trade and Investment, Regional Infrastructure and Services (NSW Trade & Investment). This scheme which is made available following a Natural Disaster declaration assists primary producers with disaster affected stock and compliments the Authority's existing Natural Disaster Relief Assistance scheme.

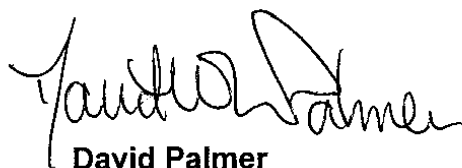
The Authority also continues to administer the *Farm Debt Mediation Act 1994*. This scheme provides a structured negotiation process via neutral and independent mediators to primary producers in financial difficulty. While the number of mediation cases has increased in recent years, the service provided by the Authority's Farm Debt Mediation Unit is vital in assisting both the farmer and the creditor in reaching agreement on present arrangements and future conduct of financial relations between them.

Highlights for the 2012-2013 financial year include:

- 494 applications for Natural Disaster Relief Assistance loans processed with over \$17 million in finance approved.
- 3,066 applications for Natural Disaster Relief Assistance Recovery Grants processed with over \$38.8 million in assistance provided.
- 74 Special Conservations Scheme applications processed with \$3.60 million approved.
- 311 claims for the Rebate on Road Transport with \$1.26 million in assistance provided.
- 164 farm debt mediation cases commenced.

My first year as Chair of the NSW Rural Assistance Authority Board has been very rewarding and I look forward to working with the new Board members, who have a diverse range of skills and expertise, in guiding the Authority to meet the challenges that the future will bring.

On behalf of the Board I would like to acknowledge the work the entire staff of the Authority devote to the needs of rural NSW. I am constantly impressed by the rapid turnaround in loan and grant applications. The service culture of the Authority is a most important asset and is acknowledged by the Board.



**David Palmer**  
Chair

# FINANCIAL ASSISTANCE

## Performance at a glance

Scheme	Applications Received	Applications Approved	Assistance \$
Natural Disaster Relief Assistance - loans	369	198	17,372,000
Natural Disaster Relief Assistance - grants	2,932	2,715	38,860,328
Special Conservation Scheme	76	47	3,606,800
Flying-Fox Netting Subsidy Program	6	5	270,994
Rebate on Road Transport	359	310	1,265,682

## 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 farmers and small businesses in rural and regional NSW to allow them to continue their normal farming and business operations following a natural disaster. Assistance is through concessional, fixed-interest rate loans and in extreme circumstances recovery grants.

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

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

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

In 2012–13 the Authority assisted applicants who were affected by natural disasters such as bushfires, floods and storms.

## Natural disaster events

Date of Disaster	Nature of Natural Disaster	Area Affected (Local Government Area)
19/01/2011	Storm	Nambucca
Jan/Feb 2012	Flood*	Warren
19/02/2012	Storm/Flood*	Parts Bogan & Lachlan
18-30/08/2012	Bushfire	Clarence Valley, Kempsey
5-7/09/2012	Bushfire	Kiama
6-17/09/2012	Bushfire	Clarence Valley, Richmond Valley, Tenterfield
4-13/10/2012	Bushfire	Port Macquarie-Hastings
5-12/10/2012	Bushfire	Singleton
7-13/10/2012	Bushfire	Clarence Valley, Kyogle, Richmond Valley, Tenterfield
8-29/10/2012	Bushfire	Gloucester, Upper Hunter, Great Lakes
14/10/2012	Storm/Hail	Lismore, parts of Byron, Ballina, Richmond Valley

20/10/2012	Bushfire	Greater Taree, Port Macquarie-Hastings
20/10/2012	Bushfire	Armidale-Dumaresq, Guyra, Kempsey, Walcha
20-27/10/2012	Bushfire	Bourke, Brewarrina, Cobar, Central Darling, Unincorporated Area
14-16/11/2012	Bushfire*	Inverell (parts of Ashby, Bowman, Lockerby, Lorne parishes)
17/11/2012	Storm	Ballina, Lismore, Richmond Valley
28/11/2012	Storm*	Cooks Myalls, Goonumbla, Alectown localities
5-10/12/2012	Bushfire	Great Lakes
6-10/12/2012	Bushfire	Kempsey, Nambucca
16-23/12/2012	Bushfire	Boorowa, Young
17-21/12/2012	Bushfire	Gloucester
19-28/12/2012	Bushfire	Gunnedah, Liverpool Plains, Upper Hunter
January 2013	Bushfire	Albury, Bathurst, Bega Valley, Berrigan, Bland, Blayney, Bogan, Boorowa, Bourke, Brewarrina, Cabonne, Carrathool, Central Darling, Cessnock, Cobar, Conargo, Coolamon, Cooma-Monaro, Coonamble, Cootamundra, Corowa, Cowra, Deniliquin, Dubbo, Eurobodalla, Forbes, Gilgandra, Goulburn-Mulwaree, Greater Hume, Griffith, Gundagai, Gwydir, Harden, Hay, Jerilderie, Junee, Lachlan, Leeton, Lithgow, Lockhart, Mid-Western Regional, Moree Plains, Murray, Murrumbidgee, Muswellbrook, Narrabri, Narrandera, Narromine, Oberon, Orange, Palerang, Parkes, Queanbeyan, Shoalhaven, Singleton, Snowy River, Temora Tumbarumba, Tumut, Upper Lachlan, Urana, Wagga Wagga, Wakool, Walgett, Warren, Warrumbungle, Weddin, Wellington, Yass Valley, Young, the Unincorporated Area
January 2013	Storm & Floods	Ballina, Bellingen, Byron, Clarence Valley, Coffs Harbour, Glen Innes Severn, Gloucester, Great Lakes, Gunnedah, Guyra, Inverell, Kempsey, Kyogle, Lismore, Liverpool Plains, Moree Plains, Nambucca, Port Macquarie Hastings, Richmond Valley, Tenterfield, Tweed, Upper Hunter, Wyong
February 2013	Severe Storms & Flooding	Armidale-Dumaresq, Ballina, Bellingen, Blue Mountains, Byron, Camden, Cessnock, Clarence Valley, Coffs Harbour, Dungog, Gloucester, Gosford, Greater Taree, Great Lakes, Hawkesbury, Kempsey, Kiama, Kyogle, Lismore, Lithgow, Nambucca, Narrabri, Port Macquarie-Hastings, Port Stephens, Randwick, Richmond Valley, Shoalhaven, Upper Hunter, Walcha, Wyong
21/03/2013	Severe storms/tornados	Berrigan, Corowa
May 2013	Storms, Flooding & Landslides	Nambucca

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



## Loans

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

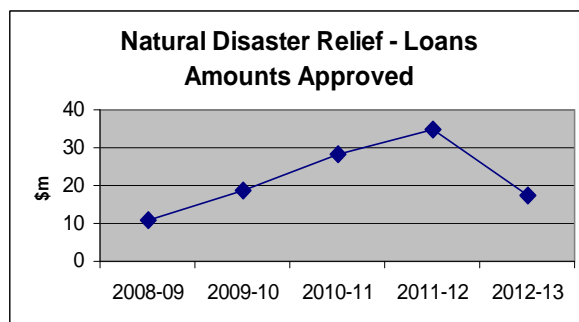
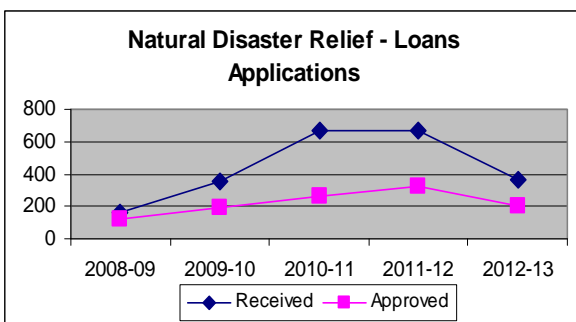
The maximum loan is \$130,000. There is an interest and repayment-free period of two years followed by a maximum repayment term of 10 years. The interest rate is fixed from the date of approval.

The interest rate for Natural Disaster Relief

Assistance loans at 30 June 2013 was 1.69 per cent.

In 2012–13 the Authority processed 494 Natural Disaster Relief Assistance applications and approved \$17.372 million in loans.

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



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

## Recovery Grants

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

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

During 2012–13 the Authority completed processing of applications following the January and March 2012 floods.

In addition, assistance was also made available to primary producers following the damaging Wambelong, Cobbler Road and

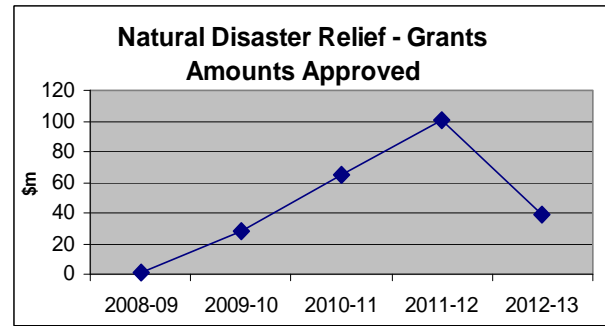
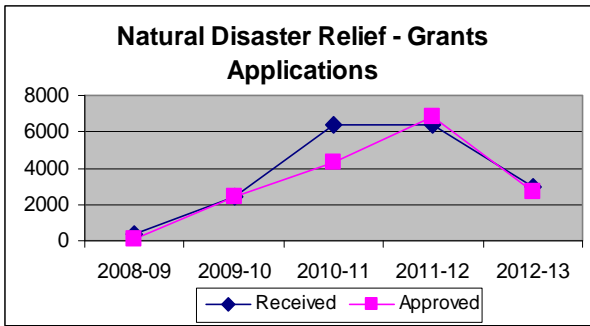
Yarrabin bushfires of January 2013 and the January/February floods and storms which affected the northern areas of the state.

Grants of up to \$15,000 per farm enterprise have been made available for these events.

Processing of applications received continues with applications closing on 31 July 2013 and 30 September 2013 respectively.

During 2012-13 the Authority processed 3,066 applications, with \$38.86 million in assistance approved to 30 June 2013.

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



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

## Special Conservation Scheme

**Objective:** NSW farmers and agricultural industries utilise improved natural resource management techniques and build resilience through improved farm management preparedness.

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

Examples of acceptable works under the Special Conservation Scheme include:

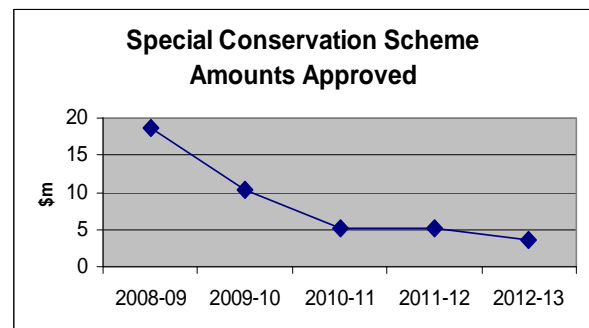
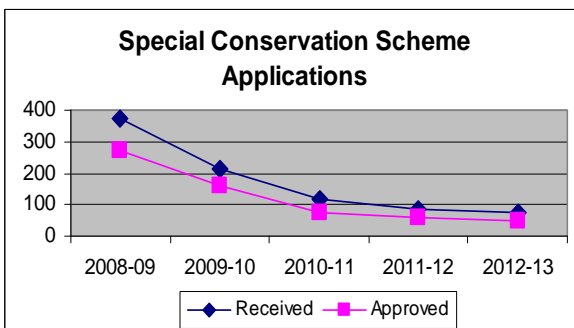
- soil conservation
- stock and domestic water supply
- capping and piping of artesian bores
- upgrading/improving of existing irrigation systems
- hail netting
- refurbishment and de-silting of ground tanks
- planting of perennial species such as lucerne and old man saltbush

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

The interest rate for Special Conservation Scheme loans at 30 June 2013 was 3.5 per cent.

During 2012–13 the Authority processed 76 Special Conservation Scheme applications and approved over \$3.60 million in assistance.

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



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

On 8 February 2013 the NSW Government announced that it would be introducing new drought measures including the Special

Conservation Scheme, which includes assistance for such drought measures.

## Flying-Fox Netting Subsidy Program

**Objective:** To install exclusion netting to prevent Flying-Fox damage on existing Orchards

The Flying-Fox Netting Subsidy Program was introduced in July 2011 and assists orchardists in the Sydney Basin and Central Coast regions of NSW whose operation would be significantly affected by the prohibition of licensed shooting of flying foxes as a crop protection measure.

A subsidy of 50% of the cost of installation is available to approved orchardists on eligible properties, up to a maximum of \$20,000 per hectare.

The Authority processed 5 applications in the 2012-13 financial year with \$270,994 in assistance provided.

Subsidies are available for the installation of permanent exclusion bat netting completed after 25 June 2011.

## Rebate on Road Transport

**Objective:** Animal welfare relief

The Authority commenced administration of transactional subsidy payments under the Natural Disaster Recovery Arrangements on behalf of the NSW Department of Primary Industries (NSW DPI) in March 2013.

disasters to:

- Transport stock to agistment
- Return stock from agistment
- Transport fodder to their property.

The transactional subsidies are to assist primary producers by paying up to 50 per cent (to a maximum of \$15,000 per calendar year) of the cost in specific declared natural

During the period from March 2013 the Authority processed 311 claims for reimbursement, with total expenditure of \$1.265 million.

## OTHER ASSISTANCE

### Farm Debt Mediation

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

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

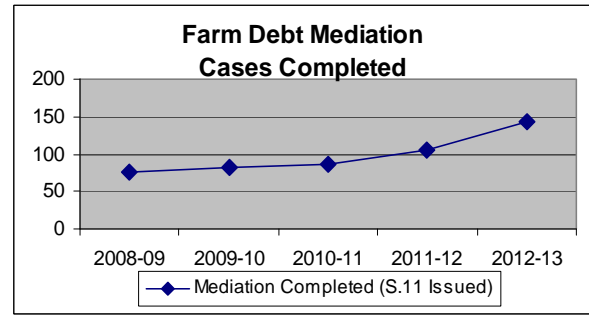
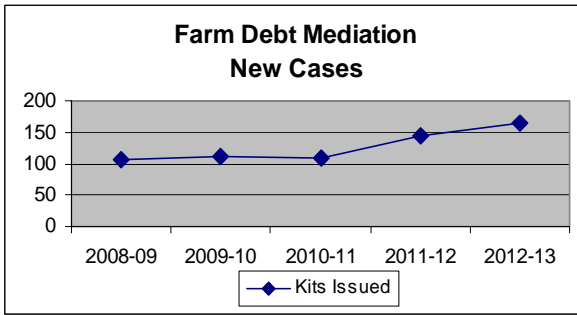
was reached in 90% of those cases that went to mediation.

Since commencement of the Act in February 1995, the Authority has issued a total of 2,665 mediation kits in relation to new cases commenced. Of the 2,243 cases completed and a Section 11 certificate issued, 1,436 went to mediation.

Demand for Farm Debt Mediation action from credit providers continued to increase during 2012-2013, with 164 new cases commenced and 143 cases completed with Section 11 certificates issued. Agreement

The following charts show Farm Debt Mediation Cases Completed and New

Cases commenced over the past five years.



## CUSTOMER SERVICE

### Guarantee of Service

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

- providing information about the types of financial assistance available
- assessing applications fairly and impartially
- under normal circumstances, making an initial decision within 28 days of receiving an application
- providing clear decisions
- being honest, courteous and respectful at all times
- not discriminating against a client who has difficulty understanding English and, if necessary, providing access to a free interpreter or translator
- keeping personal information confidential as required by law
- being available for inquiries from 8.30 am to 4.30 pm Monday to Friday, excluding public holidays.

To achieve high service standards the Authority requests that clients:

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

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

### Excellence in Service Delivery

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

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

## INFORMATION & EDUCATION

### Publicity and Promotion

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

Strategies include but are not limited to:

- regularly reviewing, updating and improving the Authority's website
- making available electronic and hard copy application forms, information bulletins and brochures
- participating in radio and television interviews, publishing newspaper articles and advertisements
- attending promotional events such as field days
- partnering with agencies, including the NSW Rural Financial Counselling Services (RFCS), Catchment Management Authorities (CMA) and NSW DPI to exchange information and provide improved service to clients.

### Electronic Service Delivery

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

The Authority's website has been 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.

## HUMAN RESOURCES

### Staff Education and Training

Assessment of training requirements continued in 2012-13 through consultation and needs analysis.

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

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

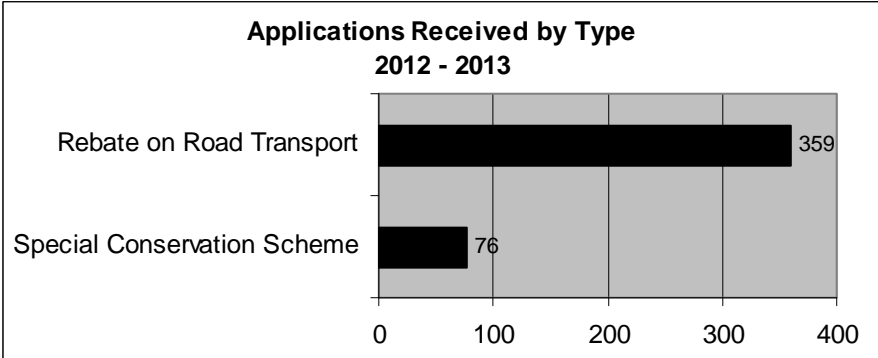
# STATISTICS ON APPLICATIONS AND APPROVALS

## Applications for Assistance – Summary 2012-13

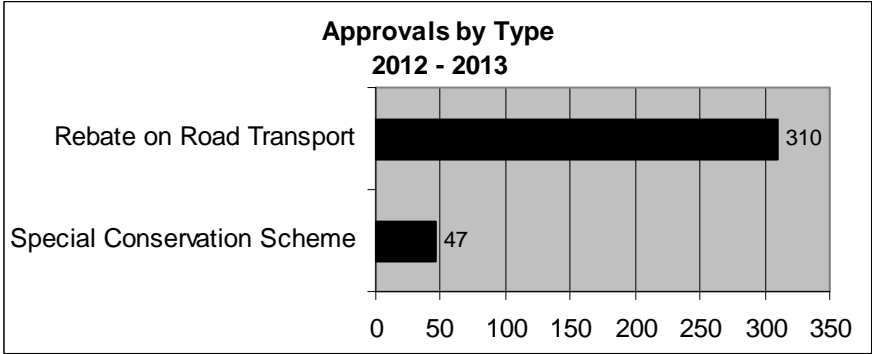
	PENDING 01.07.12	RECEIVED (No.)	WITHDRAWN (No.)	DECLINED (No.)	APPROVED (No.)	\$ VALUE APPROVED	PENDING 30.06.13
<b>SPECIAL CONSERVATION SCHEME LOANS</b>							
Soil Conservation	2	3	0	2	3	109,000	0
Stock & Domestic Water	10	34	10	4	22	1,930,000	8
Upgrade Irrigation	4	17	6	0	13	1,254,600	2
Flying Fox	0	1	0	0	0	0	1
De-Silting	0	2	0	1	1	28,500	0
Feed Storage	2	13	2	1	7	277,500	5
Other	0	6	2	1	1	7,200	2
<b>Sub Total</b>	<b>18</b>	<b>76</b>	<b>20</b>	<b>9</b>	<b>47</b>	<b>3,606,800</b>	<b>18</b>
<b>NATURAL DISASTER RELIEF ASSISTANCE - LOANS</b>							
Flood	102	296	13	210	170	15,279,500	5
Storm	13	13	4	16	6	490,000	0
Bushfire	0	13	0	4	8	780,000	1
Small Bus. & Other	16	47	3	46	14	822,500	0
<b>Sub Total</b>	<b>131</b>	<b>369</b>	<b>20</b>	<b>276</b>	<b>198</b>	<b>17,372,000</b>	<b>6</b>
<b>NATURAL DISASTER RELIEF ASSISTANCE - GRANTS</b>							
Small Business	35	188	4	33	186	2,545,375	0
Primary Producer	142	2,744	12	302	2,529	36,314,953	43
<b>Sub Total</b>	<b>177</b>	<b>2,932</b>	<b>16</b>	<b>335</b>	<b>2,715</b>	<b>38,860,328</b>	<b>43</b>
<b>REBATE ON ROAD TRANSPORT</b>							
To Agistment	0	152	0	1	136	805,041	15
From Agistment	0	78	0	0	70	59,850	8
Fodder	0	129	0	0	104	400,791	25
Bee Feed	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>0</b>	<b>359</b>	<b>0</b>	<b>1</b>	<b>310</b>	<b>1,265,682</b>	<b>48</b>
<b>FLYING-FOX NETTING SUBSIDY PROGRAM</b>							
1st Application	0	5	0	0	4	238,994	1
2nd Application	0	1	0	0	1	32,000	0
<b>Sub Total</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>270,994</b>	<b>1</b>
<b>GRAND TOTAL</b>	<b>326</b>	<b>3,742</b>	<b>56</b>	<b>621</b>	<b>3,275</b>	<b>61,375,804</b>	<b>116</b>

Schemes

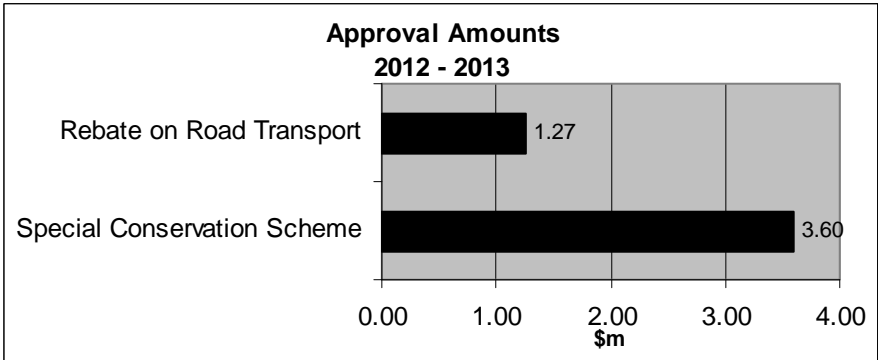
State schemes



Total No. Applications Received = 435



Total No. Approved = 357

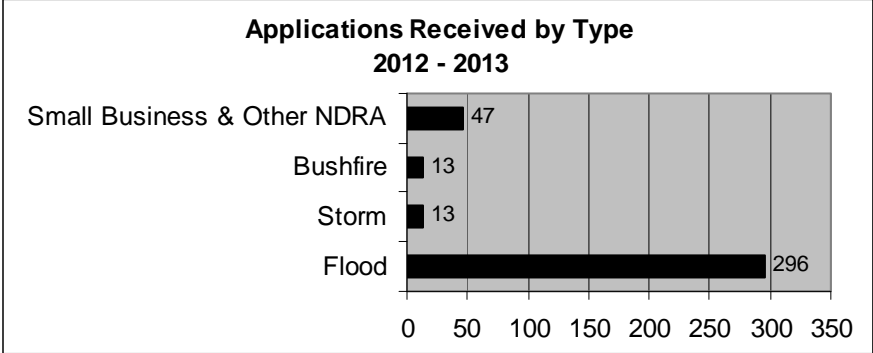


Total Approved = \$4,872,482

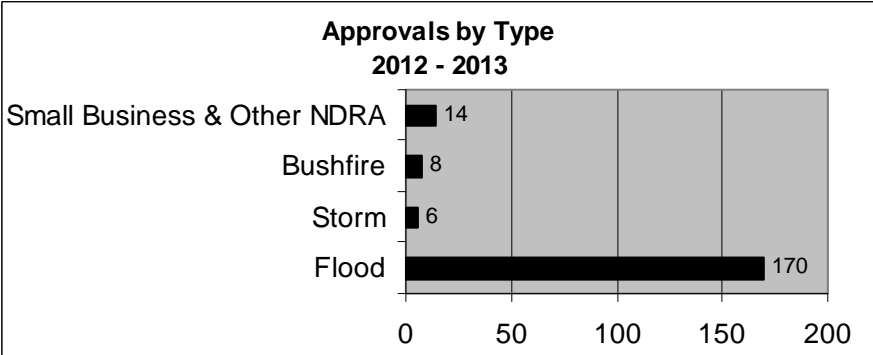


**Australian/State Government schemes**

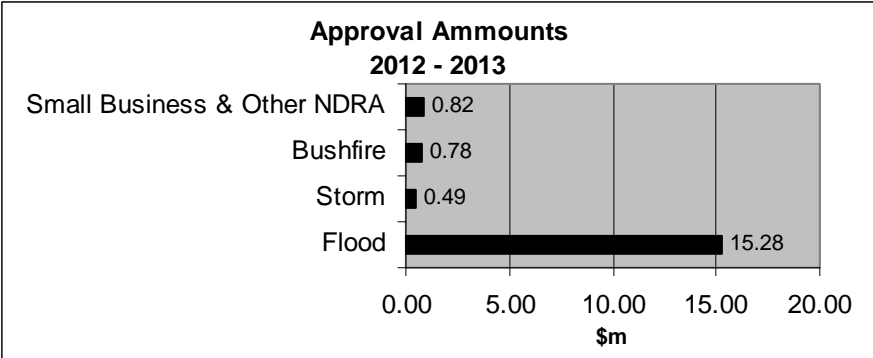
**Natural Disaster Relief Assistance Loans**



Total No. Applications Received = 369

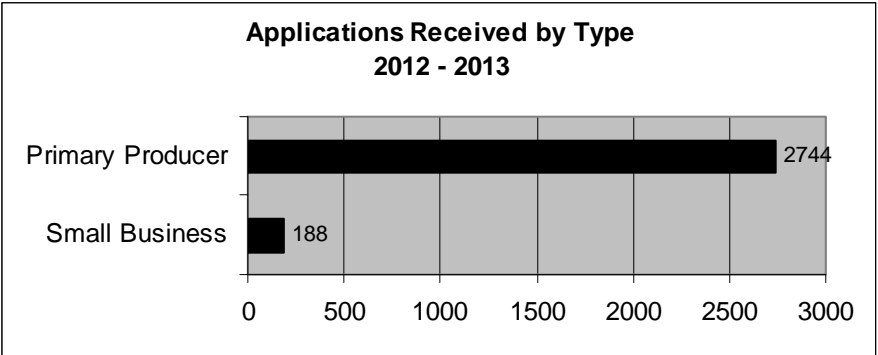


Total No. Approved = 198

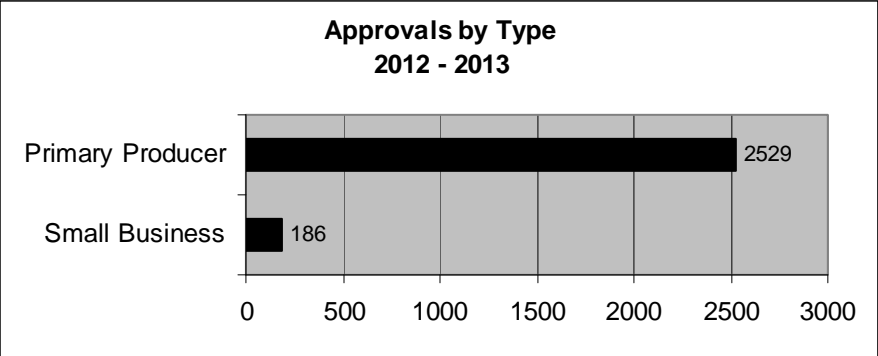


Total Approved = \$17,372,000

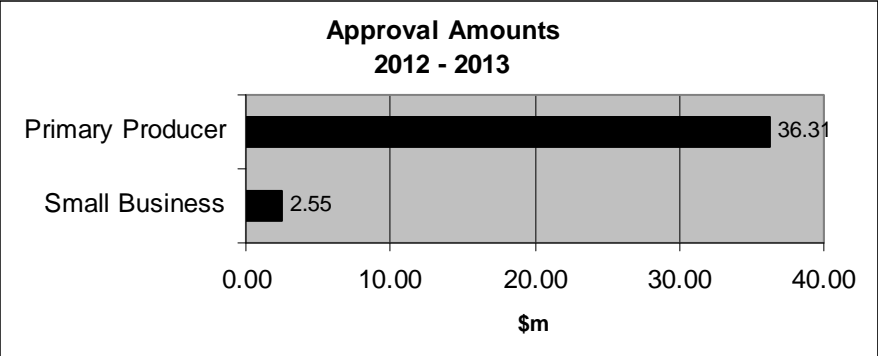
**Natural Disaster Relief & Recovery Grants**



Total No. Applications Received = 2,932



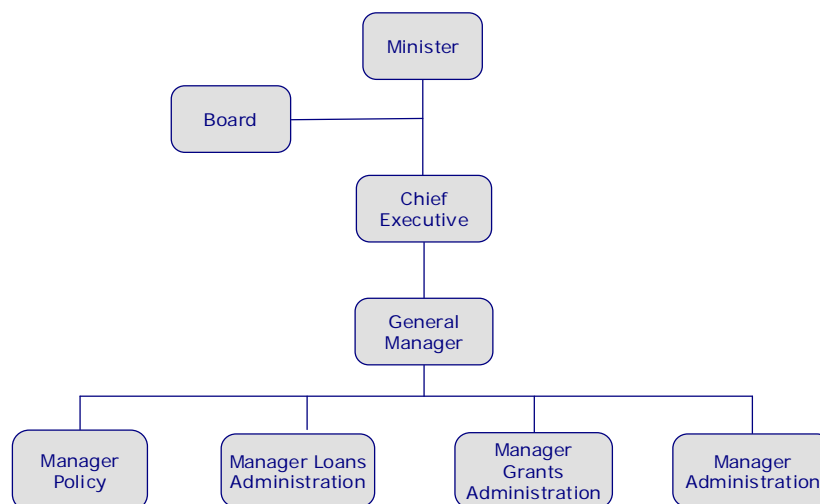
Total No. Approved = 2,715



Total Approved = \$38,860,328

# CORPORATE GOVERNANCE

## Organisation Structure



## The Board

The activities of the Authority 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*,
- 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 Authority in the delivery of assistance under programs implemented or administered under this Act,
- c) to determine the general policies of the Authority 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 Authority are carried out properly and efficiently.

The Authority's Board consists of six part-time members and the Chief Executive.

Under the Act four of the part-time members must have specific qualifications and experience. The remaining two members are appointed to represent farmers.

## 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 Rural Assistance Authority in May 2012. Mr Bullen graduated with a Bachelor of Science (Forestry) from the Australian National University in 1983. He commenced work as a forester in Tasmania and then joined the then Forestry Commission in 1986. He remained with Forests NSW until 2008 when he left to lead the Sydney Catchment Authority until joining Agriculture NSW. Mr Bullen completed a Masters in Business Administration in 1996, and has an interest in natural resource management and played a key role in the NSW Government's Regional Forest Assessment process.

Appointed 23 May 2012

## Part-time Members with Relevant Qualifications and Experience

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

Mr Palmer chairs the Australia Korea Foundation (DFAT position) and the Livestock Biosecurity Network, a sheep and cattle industry initiative and he is also a director of Animal Health Australia.

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

Appointed - July 2012  
Appointed as Chair - July 2012

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

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

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

Appointed - July 2012

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

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

Ms Clark has extensive experience as an accountant both in Sydney and rural NSW and is a Fellow of the Australian Institute of Company Directors.

Appointed - July 2012

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

Mrs Gibson is currently Chair of MI Holdings Pty Ltd, a Non-Executive Director of Murrumbidgee Irrigation Ltd and a member of its Audit Committee. She is a member of the Australian Institute of Company Directors and has extensive experience with rural succession planning, rural, commercial and residential property transfers, as well as trading water entitlements and water allocation.

Appointed - July 2012

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

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

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

Appointed - July 2012

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

Mrs Tuckerman has been an elected Councillor for Boorowa Shire Council since 2004 and has held the position of Mayor since 2007. Mrs Tuckerman is also a current Board Member of the Southern Inland Local Regional Development Board and an Executive Member of the South Eastern Regional Organisation of Councils.

Appointed - July 2012

## Board Meetings and Attendance

During 2012–13 the Board held meetings as follows:

### 12 – 13 September 2012

Rural Assistance Authority,  
Kite Street, Orange

### 13 November 2012

NSW Department Primary Industries,  
Sydney

### 12 February 2013

NSW Department Primary Industries,  
Sydney

### 9 April 2013

Rural Assistance Authority,  
Kite Street, Orange

### 18 June 2013

NSW Trade and Investment Centre,  
Sydney

Board Attendance	Meetings Eligible to Attend	Meetings Attended
Mr David Palmer	5	5
Mr Robert Brown	5	4
Mrs Barbara Clark	5	5
Mrs Markeeta Gibson	5	5
Mr Andrew Locke	5	5
Mrs Wendy Tuckerman	5	5
Mr Michael Bullen	5	5

## Senior Officers

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

Mr Bullen commenced as Deputy Director General, Agriculture NSW in February, 2012 and Chief Executive of the Rural Assistance Authority 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.

Appointed 23 May 2012

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

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

**Ms Corinne Kennedy**  
**Acting Manager Policy**

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

**Mr Michael Pickett**  
**Manager Administration**

Mr Pickett joined the Authority in 1996 following previous roles with the NSW Department of Health and Department of Community Services. He is responsible for the general administration of the Authority, including financial, personnel and information technology and communication services. Mr Pickett is the liaison between the Authority 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 Authority in 1996 after 26 years in the banking industry. 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 Authority 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 Authority in 1990 after 20 years in the banking industry. He is responsible for the day-to-day administration of the Grants Assessment section. Mr Glover ensures that the Schemes are administered in accordance with government guidelines and to achieve the Authority's policies and objectives.

## CORPORATE SERVICES

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

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

# FINANCIAL STATEMENTS

## NSW Rural Assistance Authority

### Independent Auditor's Report



### INDEPENDENT AUDITOR'S REPORT

#### New South Wales Rural Assistance Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the New South Wales Rural Assistance Authority (the Authority), which comprise the statements of financial position as at 30 June 2013, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entity it controlled at the year's end, the Office of Rural Assistance Authority.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 30 June 2013, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the 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 members of the Board determine is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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



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

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

My opinion does not provide assurance:

- about the future viability of the Authority or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, that may have been hyperlinked to/from the financial statements
- about the assumptions used in formulating the budget figures disclosed in the financial statements.

## **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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



Peter Barnes  
Director, Financial Audit Services

9 September 2013  
SYDNEY

# Certificate under Section 41c of the Public Finance and Audit Act 1983

## NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

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

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

In our opinion the statements exhibit a true and fair view of the financial position and transactions of the New South Wales Rural Assistance Authority's operations for the year ended 30 June 2013.

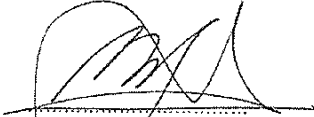
The members of the Board are not aware of any circumstances, as at the date of this certificate, which would render any particulars in the financial report to be misleading or inaccurate.

Date: 6 September 2013.



David Palmer  
Board Chair

Date: 6 SEPTEMBER 2013



Michael Butler  
Chief Executive

# Financial Statements

## NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

### Financial Statements for the year ended 30 June 2013

#### FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

##### Statement of comprehensive income for the year ended 30 June 2013

	Notes	Consolidated Actual 2013 \$'000	Budget 2013 \$'000	Consolidated Actual 2012 \$'000	Parent Actual 2013 \$'000	Parent Actual 2012 \$'000
<b>Expenses excluding losses</b>						
Operating expenses						
Employee related	2(a)	2,079	1,978	2,537	66	42
Personnel services	2(b)				2,013	2,495
Other operating expenses	2(c)	4,268	1,259	2,559	4,268	2,559
Depreciation and amortisation	2(d)	9	25	15	9	15
Grants and subsidies	2(e)	38,297	5,900	56,313	38,297	56,313
Finance Costs	2(f)	7,928	7,300	6,910	7,928	6,910
<b>Total expenses excluding losses</b>		<b>52,581</b>	<b>16,462</b>	<b>68,334</b>	<b>52,581</b>	<b>68,334</b>
<b>Revenue</b>						
Investment revenue	3(a)	8,368	7,879	7,487	8,368	7,487
Grants and contributions	3(b)	53,967	8,596	140,551	53,967	140,551
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	103	150	236	-	-
Other revenue	3(d)	7	14	14	110	250
<b>Total Revenue</b>		<b>62,445</b>	<b>16,639</b>	<b>148,288</b>	<b>62,445</b>	<b>148,288</b>
<b>Gain / (loss) on disposal</b>		-	-	-	-	-
<b>Other gains / (losses)</b>		-	-	-	-	-
<b>Net result</b>		<b>9,864</b>	<b>177</b>	<b>79,954</b>	<b>9,864</b>	<b>79,954</b>
<b>Other comprehensive income</b>						
<b>Total other comprehensive income</b>		-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>9,864</b>	<b>177</b>	<b>79,954</b>	<b>9,864</b>	<b>79,954</b>

The accompanying notes form part of these financial statements.

# FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

## Statement of financial position as at 30 June 2013

	Notes	Consolidated Actual 2013 \$'000	Budget 2013 \$'000	Consolidated Actual 2012 \$'000	Parent Actual 2013 \$'000	Parent Actual 2012 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	5	18,592	21,804	21,333	18,592	21,333
Receivables	6	7,341	1,755	1,621	7,341	1,621
Other financial assets	7	15,918	17,079	13,553	15,918	13,553
<b>Total Current Assets</b>		<b>41,851</b>	<b>40,638</b>	<b>36,507</b>	<b>41,851</b>	<b>36,507</b>
<b>Non-Current Assets</b>						
Other financial assets	7	126,183	128,374	122,138	126,183	122,138
Plant and equipment	8	37	97	32	37	32
<b>Total Non-Current Assets</b>		<b>126,220</b>	<b>128,471</b>	<b>122,170</b>	<b>126,220</b>	<b>122,170</b>
<b>Total Assets</b>		<b>168,071</b>	<b>169,109</b>	<b>158,677</b>	<b>168,071</b>	<b>158,677</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	10	6,636	5,277	6,643	6,636	6,643
Borrowings	11	16,217	16,934	13,553	16,217	13,553
Provisions	12	6,214	301	13,478	6,214	13,478
<b>Total Current Liabilities</b>		<b>29,067</b>	<b>22,512</b>	<b>33,674</b>	<b>29,067</b>	<b>33,674</b>
<b>Non-Current Liabilities</b>						
Borrowings	11	126,675	128,700	122,538	126,675	122,538
Provisions	12	7	5	7	7	7
<b>Total Non-Current Liabilities</b>		<b>126,682</b>	<b>128,705</b>	<b>122,545</b>	<b>126,682</b>	<b>122,545</b>
<b>Total Liabilities</b>		<b>155,749</b>	<b>151,217</b>	<b>156,219</b>	<b>155,749</b>	<b>156,219</b>
<b>Net Assets / (Liabilities)</b>		<b>12,322</b>	<b>17,892</b>	<b>2,458</b>	<b>12,322</b>	<b>2,458</b>
<b>EQUITY</b>						
Accumulated funds		12,322	17,892	2,458	12,322	2,458
<b>Total Equity</b>		<b>12,322</b>	<b>17,892</b>	<b>2,458</b>	<b>12,322</b>	<b>2,458</b>

The accompanying notes form part of these financial statements.

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### Statement of changes in equity for the year ended 30 June 2013

	Accumulated Funds		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>Balance at 1 July 2012</b>	2,458	2,458	2,458	2,458
Net result for the year	9,864	9,864	9,864	9,864
Total other comprehensive income	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
<b>Balance at 30 June 2013</b>	<b>12,322</b>	<b>12,322</b>	<b>12,322</b>	<b>12,322</b>
<b>Balance at 1 July 2011</b>	(77,496)	(77,496)	(77,496)	(77,496)
Net result for the year	79,954	79,954	79,954	79,954
Total other comprehensive income	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
<b>Balance at 30 June 2012</b>	<b>2,458</b>	<b>2,458</b>	<b>2,458</b>	<b>2,458</b>

The accompanying notes form part of these financial statements.

# FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

## Statement of cash flows for the year ended 30 June 2013

	Notes	Consolidated Actual 2013 \$'000	Budget 2013 \$'000	Consolidated Actual 2012 \$'000	Parent Actual 2013 \$'000	Parent Actual 2012 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(1,950)	(1,828)	(2,307)	(1,950)	(2,307)
Grants and subsidies		(45,571)	(5,900)	(131,477)	(45,571)	(131,477)
Finance costs		(3,593)	(4,300)	(3,690)	(3,593)	(3,690)
Other		(4,036)	(3,559)	(2,945)	(4,036)	(2,945)
<b>Total Payments</b>		<b>(55,150)</b>	<b>(15,587)</b>	<b>(140,419)</b>	<b>(55,150)</b>	<b>(140,419)</b>
<b>Receipts</b>						
Interest received		541	549	650	541	650
Grants and contributions		48,194	5,596	140,551	48,194	140,551
Cash transfers to the Consolidated Fund		-	-	(2,602)	-	(2,602)
Other		3,689	3,914	6,738	3,689	6,738
<b>Total Receipts</b>		<b>52,424</b>	<b>10,059</b>	<b>145,337</b>	<b>52,424</b>	<b>145,337</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	16	<b>(2,726)</b>	<b>(5,528)</b>	<b>4,918</b>	<b>(2,726)</b>	<b>4,918</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Advance repayments received		20,852	21,360	17,162	20,852	17,162
Purchases of plant and equipment		(14)	(50)	0	(14)	-
Proceeds from sale of plant and equipment		-	-	-	-	-
Advances made		(23,319)	(17,000)	(39,279)	(23,319)	(39,279)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(2,481)</b>	<b>4,310</b>	<b>(22,117)</b>	<b>(2,481)</b>	<b>(22,117)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings and advances		23,319	17,000	39,279	23,319	39,279
Repayment of borrowings and advances		(20,853)	(17,060)	(17,162)	(20,853)	(17,162)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>2,466</b>	<b>(60)</b>	<b>22,117</b>	<b>2,466</b>	<b>22,117</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>(2,741)</b>	<b>(1,278)</b>	<b>4,918</b>	<b>(2,741)</b>	<b>4,918</b>
Opening cash and cash equivalents		21,333	23,082	16,415	21,333	16,415
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5	<b>18,592</b>	<b>21,804</b>	<b>21,333</b>	<b>18,592</b>	<b>21,333</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### Notes to the financial statements

#### 1. Summary of Significant Accounting Policies

##### (a) Reporting Entity

The NSW Rural Assistance Authority (the Agency) as a reporting entity under the *Rural Assistance Act 1989* comprises all the entities under its control, namely the Office of the Rural Assistance Authority.

In 2006 staff were designated as being employed by the Government of NSW in service of the Crown to provide personnel services to enable the NSW Rural Assistance Authority to exercise its functions. The Office of the Rural Assistance Authority was established as a Division of the Government Service, pursuant to Part 1 of Schedule 1 to the *Public Sector Employment and Management Act 2002* (PSEMA) with the specific objective to provide personnel services to the NSW Rural Assistance Authority. Under the *Public Sector Employment and Management (Departments) Order 2011* the Office falls within the Trade and Investment, Regional Infrastructure and Services cluster of the public service.

Separate financial statements have been prepared for the Office of the Rural Assistance Authority.

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

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

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

These consolidated financial statements for the year ended 30 June 2013 have been authorised for issue by the Board on 6 September 2013.

##### (b) Basis of Preparation

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

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

Plant and equipment and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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

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

- (i) Impairment of Advances Receivables – Loans to Clients (refer Note 8)  
In accordance with AASB 139 Financial Instruments: Recognition and Measurement an allowance for impairment is raised in relation to individual loans when collectability is considered in doubt.

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

- (ii) Valuation of Advances Receivable (refer Note 7) and Treasury Loan Capital (refer Note 12)  
The above items are measured at amortised cost in accordance with AASB 139 Financial Instruments: Recognition and Measurement and TPP08-1 Accounting Policy: Accounting for Financial Instruments.
- (iii) Valuation of Long Service Leave  
Long service leave is measured at present value in accordance with AASB 119 Employee Benefits based on the application of certain factors specified in NSW TC 12/06.

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

### (c) Statement of Compliance

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

### (d) Borrowing Costs

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

### (e) Grants and subsidies paid

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

### (f) Insurance

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

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

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

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

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

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

### (h) Income recognition

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

#### (i) Investment revenue

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

#### (ii) Grants and contributions

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



## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

- 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 10 as part of 'Current Liabilities – Payables'.

### (i) Assets

#### (i) Acquisition of assets

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

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

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

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

#### (ii) Capitalisation thresholds

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

#### (iii) Revaluation of plant and equipment

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

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

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

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

#### (iv) Impairment of plant and equipment

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

#### (v) Depreciation of plant and equipment

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

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

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

Default asset lives are:

Computing equipment	4 years
Photocopier	4 years
Business equipment	7 years
Office furniture	8 years
Storage	15 years

Depreciation rates are reviewed and determined on an annual basis.

### **(vi) Maintenance**

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

### **(vii) Leased assets**

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

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

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

### **(viii) Loans and receivables**

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

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

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

Bad debts are written off as incurred.

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

### **(ix) 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 Agency 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. 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.

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### (x) De-recognition of financial assets and financial liabilities

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

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

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

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

### (j) Liabilities

#### (i) Payables

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

#### (ii) Borrowings

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

#### (iii) Employee benefits and other provisions

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

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

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

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

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

##### (b) Long service leave and superannuation

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

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSW TC 12/06) 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.

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions (NSW TC 11/04). 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.

### (iv) Other Provisions

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

### (k) Equity

#### (i) Accumulated Funds

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

### (l) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

### (m) Comparative Information

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

### (n) New Australian Accounting Standards issued but not effective

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial reporting period ended 30 June 2013. Those relevant to the Group are listed as follows:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments (Operative date - 1 Jan 2015)
- AASB 1053 and AASB 2010-2 regarding differential reporting (Operative date - 1 July 2013)
- AASB 2011-2 regarding Trans Tasman Convergence – RDR (Operative date - 1 July 2013)
- AASB 2011-4 Amendments to Key Management Personnel Disclosure Requirements (Operative date - 1 July 2013)
- AASB 2011-6 regarding RDR and relief from consolidation (Operative date - 1 July 2013)
- AASB 2011-12 regarding Interpretation 20 (Operative date - 1 Jan 2013)
- AASB 2012-3 regarding disclosures and offsetting financial assets and financial liabilities (Operative date - 1 Jan 2013)
- AASB 2012-7 and 2012-11 regarding reduced disclosure requirements (Operative date - 1 July 2013)
- AASB 1055 Budgetary reporting (Operative date - 1 July 2014)

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

These standards / interpretations are not considered to have a material impact.

### 2. Expenses Excluding Losses

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>(a) Employee Related Expenses</b>				
Salaries and wages (including recreation leave)	1,729	1,944	-	-
Superannuation – defined benefit plans	52	52	-	-
Superannuation – defined contribution plans	106	122	5	3
Long service leave	48	219	-	-
Workers compensation insurance	12	12	-	-
Payroll tax and fringe benefits tax	74	91	3	2
Redundancy	-	60	-	-
Other - Miscellaneous	58	37	58	37
	<b>2,079</b>	<b>2,537</b>	<b>66</b>	<b>42</b>
<b>(b) Personnel services</b>				
Personnel services	-	-	2,013	2,495
	-	-	<b>2,013</b>	<b>2,495</b>
<b>(c) Other operating expenses include the following:</b>				
Auditor's remuneration – audit of the financial statements	84	91	84	91
Rent expense	424	414	424	414
Maintenance*	9	41	9	41
Insurance	5	5	5	5
Telecommunications	9	13	9	13
Travel	75	68	75	68
Contractors	205	1,080	205	1,080
Administration Fees	475	471	475	471
Other fees	70	187	70	187
Increase in doubtful debts	392	74	392	74
Miscellaneous	64	115	64	115
Repayment of Rural Adjustment Scheme Reserves	2,456	-	2,456	-
	<b>4,268</b>	<b>2,559</b>	<b>4,268</b>	<b>2,559</b>
<b>*Reconciliation – Total maintenance</b>				
Maintenance expense – contracted labour and other (non-employee related), as above	9	41	9	41
Employee related maintenance expense included in Note 2(a)	-	-	-	-
<b>Total maintenance expenses included in Note 2(a) + (c)</b>	<b>9</b>	<b>41</b>	<b>9</b>	<b>41</b>
<b>(d) Depreciation and amortisation expense</b>				
Plant and equipment	9	15	9	15
	<b>9</b>	<b>15</b>	<b>9</b>	<b>15</b>
<b>(e) Grants and subsidies</b>				
Rural Adjustment Scheme (State)	-	230	-	230
Rural Adjustment Scheme (Commonwealth)	-	2,069	-	2,069
Forging Partnerships	200	123	200	123
Natural Disaster Relief Grants	35,208	47,193	35,208	47,193
Flying Fox Netting Subsidy	282	219	282	219
Grant expense on low interest loans	2,607	6,479	2,607	6,479
	<b>38,297</b>	<b>56,313</b>	<b>38,297</b>	<b>56,313</b>
<b>(f) Finance Costs</b>				
Interest on Treasury Advance	3,606	3,700	3,606	3,700
Amortised interest expense	4,322	3,210	4,322	3,210
	<b>7,928</b>	<b>6,910</b>	<b>7,928</b>	<b>6,910</b>

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### 3. Revenue

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>(a) Investment revenue</b>				
Interest	440	577	440	577
Interest income on loans	3,606	3,700	3,606	3,700
Amortised interest revenue	4,322	3,210	4,322	3,210
	<b>8,368</b>	<b>7,487</b>	<b>8,368</b>	<b>7,487</b>
<b>(b) Grants and contributions</b>				
Recurrent Grant from Department of Trade and Investment, Regional Infrastructure and Services	2,546	26,057	2,546	26,057
Capital Grant from Department of Trade and Investment, Regional Infrastructure and Services	50	-	50	-
Grant revenue on low interest loan	2,607	6,479	2,607	6,479
Grant from Environmental Trust	286	320	286	320
Reimbursement for Natural Disaster Relief Grants	48,478	107,695	48,478	107,695
	<b>53,967</b>	<b>140,551</b>	<b>53,967</b>	<b>140,551</b>
<b>(c) Acceptance by the Crown Entity of employee benefits and other liabilities</b>				
Superannuation – defined benefit	52	52	-	-
Long Service Leave	48	181	-	-
Payroll tax	3	3	-	-
	<b>103</b>	<b>236</b>	<b>-</b>	<b>-</b>
<b>(d) Other revenue</b>				
Forgiveness of liabilities - Treasury	-	-	-	-
Reduction in doubtful debts	-	-	-	-
Contributions from the Crown Entity	-	-	103	236
Other revenue	7	14	7	14
	<b>7</b>	<b>14</b>	<b>110</b>	<b>250</b>

### 4. 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.

### 5. Current Assets – Cash and cash equivalents

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Cash at bank and on hand	18,592	21,333	18,592	21,333
	<b>18,592</b>	<b>21,333</b>	<b>18,592</b>	<b>21,333</b>

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short term deposits and bank overdraft.

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

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)	18,592	21,333	18,592	21,333
Closing cash and cash equivalents (per Statement of Cash Flows)	18,592	21,333	18,592	21,333

Refer Note 17 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

### 6. Current Assets - Receivables

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Interest Receivable	218	319	218	319
Interest Receivable – Interest on Loans	1,308	1,269	1,308	1,269
GST receivable	41	27	41	27
Accrued Revenue <sup>(1)</sup>	5,773	-	5,773	-
Miscellaneous	1	6	1	6
	<b>7,341</b>	<b>1,621</b>	<b>7,341</b>	<b>1,621</b>

Notes:

- The arrangement with NSW Treasury regarding funding for Natural Disaster Relief grants has been revised. As a result in 2013 the Authority has recognised a receivable for the revenue due but not yet received.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 17.

### 7. Current / Non-Current Assets – Other Financial Assets

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Current</b>				
Advances Receivable - Loans to Clients	16,217	13,553	16,217	13,553
Less: Allowance for impairment	(299)	-	(299)	-
	<b>15,918</b>	<b>13,553</b>	<b>15,918</b>	<b>13,553</b>
<b>Non-Current</b>				
Advances Receivable - Loans to Clients	126,675	122,538	126,675	122,538
Less: Allowance for impairment	(492)	(400)	(492)	(400)
	<b>126,183</b>	<b>122,138</b>	<b>126,183</b>	<b>122,138</b>

*Movement in the allowance for impairment*

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Advances Receivable – Loans to Clients</b>				
Balance at 1 July	400	326	400	326
Amounts written off during the year	(1)	-	(1)	-
Amounts recovered during the year	-	(38)	-	(38)
Increase / (decrease) in allowance recognised in Net result	392	112	392	112
Balance at 30 June	<b>791</b>	<b>400</b>	<b>791</b>	<b>400</b>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 17.

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### 8. Non-Current Assets – Plant and Equipment

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>At 1 July 2012 – fair value</b>				
Gross carrying amount	212	212	212	212
Accumulated depreciation	(180)	(180)	(180)	(180)
Net Carrying Amount	32	32	32	32
<b>At 30 June 2013 – fair value</b>				
Gross carrying amount	225	225	225	225
Accumulated depreciation	(188)	(188)	(188)	(188)
Net Carrying Amount	37	37	37	37

#### Reconciliation

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

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>Year period 30 June 2013</b>				
Net carrying amount at start of year	32	32	32	32
Additions	14	14	14	14
Disposals	-	-	-	-
Depreciation expenses	(9)	(9)	(9)	(9)
Depreciation written back on disposal	-	-	-	-
Net carrying amount at end of year	37	37	37	37

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>At 1 July 2011 – fair value</b>				
Gross carrying amount	212	212	212	212
Accumulated depreciation	(165)	(165)	(165)	(165)
Net Carrying Amount	47	47	47	47
<b>At 30 June 2012 – fair value</b>				
Gross carrying amount	212	212	212	212
Accumulated depreciation	(180)	(180)	(180)	(180)
Net Carrying Amount	32	32	32	32

#### Reconciliation

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

	Plant and equipment		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
<b>Year ended 30 June 2012</b>				
Net carrying amount at start of year	47	47	47	47
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expenses	15	15	15	15
Depreciation written back on disposal	-	-	-	-
Net carrying amount at end of year	32	32	32	32



## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### 9. Restricted Assets

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

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Current</b>				
Rural Adjustment Scheme reserve funding held in bank account	-	2,405	-	2,405
	<b>-</b>	<b>2,405</b>	<b>-</b>	<b>2,405</b>

### 10. Current Liabilities – Payables

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
Accrued salaries, wages and on-costs	101	85	14	9
Personnel Services payable	-	-	87	76
Creditors	88	383	88	383
Creditors - Treasury	5,052	4,494	5,052	4,494
Unearned revenue	1,395	1,681	1,395	1,681
	<b>6,636</b>	<b>6,643</b>	<b>6,636</b>	<b>6,643</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 17.

### 11. Current / Non-Current Liabilities – Borrowings

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Current</b>				
<b>Unsecured</b>				
Treasury, NSW Loan Capital	16,217	13,553	16,217	13,553
	<b>16,217</b>	<b>13,553</b>	<b>16,217</b>	<b>13,553</b>
<b>Non-Current</b>				
<b>Unsecured</b>				
Treasury, NSW Loan Capital	126,675	122,538	126,675	122,538
	<b>126,675</b>	<b>122,538</b>	<b>126,675</b>	<b>122,538</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 17.

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### 12. Current / Non-Current Liabilities – Provisions

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Current</b>				
<b>Employee benefits and related on-costs</b>				
Personnel services	-	-	351	341
Recreation Leave	218	203	-	-
Long Service Leave	133	138	-	-
	<b>351</b>	<b>341</b>	<b>351</b>	<b>341</b>
<b>Other Provisions</b>				
Grant payments:				
Flying Fox Netting Subsidy	90	-	90	-
Natural Disaster Relief grants	5,773	13,137	5,773	13,137
	<b>5,863</b>	<b>13,137</b>	<b>5,863</b>	<b>13,137</b>
<i>Movement in Provisions for Grant payments</i>				
Balance at 1 July	13,137	88,301	13,137	88,301
Additional provisions	5,863	13,137	5,863	13,137
Amounts used	(13,137)	(88,301)	(13,137)	(88,301)
Amounts reversed	-	-	-	-
Balance at 30 June	<b>5,863</b>	<b>13,137</b>	<b>5,863</b>	<b>13,137</b>
Grant payments will be funded by contributions upon the transfer of cash.				
<b>Non-Current</b>				
<b>Employee benefits and related on-costs</b>				
Personnel services	-	-	7	7
Long Service Leave	7	7	-	-
	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions – current	351	341	351	341
Provisions – non-current	7	7	7	7
Personnel Services payable (Note 10)	-	-	87	76
Accrued salaries, wages and on-costs (Note 10)	101	85	14	9
	<b>459</b>	<b>433</b>	<b>459</b>	<b>433</b>

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### 13. Commitments for expenditure

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>(a) Other Expenditure Commitments</b>				
<b>(i) Loan Commitments</b>				
Commitments for the payment of Special Conversation Scheme and Natural Disaster Loans.				
Not later than one year	4,077	10,231	4,077	10,231
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	<u>4,077</u>	<u>10,231</u>	<u>4,077</u>	<u>10,231</u>

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

#### **(ii) Service Level Agreement - Trade & Investment**

Not later than one year	247	247	247	247
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	<u>247</u>	<u>247</u>	<u>247</u>	<u>247</u>

The total of 'Service Level Agreement' above includes input tax credits of \$15,000 (2012: \$11,000) that are expected to be recoverable from the Australian Taxation Office (66% of GST paid is not recoverable due to being related to the provision of financial supply).

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

#### **(iii) Rural Adjustment Scheme reserve**

Commitments for the repayment of Rural Adjustment Scheme reserves to the Commonwealth				
Not later than one year	-	2,405	-	2,405
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	<u>-</u>	<u>2,405</u>	<u>-</u>	<u>2,405</u>

The total of Rural Adjustment Scheme reserve does not include GST as it is a reimbursement.

### **(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	72	72	72	72
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	<u>72</u>	<u>72</u>	<u>72</u>	<u>72</u>

The total of 'Office rent' above includes input tax credits of \$4,000 (2012: \$4,000) that are expected to be recoverable from the Australian Taxation Office (66% of GST paid is not recoverable due to being related to the provision of financial supply).

Under the current rental agreement the Agency needs only provide two months notice to terminate the agreement.

### 14. Contingent Liabilities and Contingent Assets

The Board is unaware of the existence of any Contingent Liabilities or Contingent Assets as at balance date (2012, Nil).

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### 15. Budget Review

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

#### Net result

The actual net result was higher than budget by \$9.687m. Expenses exceeded budget by \$36.119m primarily due to the payment of unbudgeted Natural Disaster Relief Grants of \$35.208m. Revenue exceeded budget by \$45.806m primarily due to the receipt of unbudgeted Natural Disaster Relief Grant funding of \$48.478m, reduced revenue from the Environmental Trust for Flying Fox Netting Subsidies of \$1.714m.

#### Assets and liabilities

Net Assets are lower than budget by \$5.570m. Cash and cash equivalents are lower than budgeted by \$3.212m primarily due to the earlier than anticipated repayment of the Rural Adjustment Scheme reserves of \$2.456m and a liability for unearned revenue in relation to funding received from the Environmental Trust for Flying Fox Netting Subsidies following the lower than anticipated uptake of this scheme.

#### Cash flows

Net Cash Flows from Operating are lower than budget by \$2.802m primarily due to variations to budget in the timing of grant payments and the corresponding receipt of funding.

Net Cash Flows from Investing and Financing activities are lower than budget by \$4.250m, primarily due to budget variations for repayments received and new loans advanced.

### 16. Reconciliation of cash flows from operating activities to Net result

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	Parent 2013 \$'000	Parent 2012 \$'000
<b>Net cash used on operating activities</b>	<b>(2,726)</b>	<b>4,918</b>	<b>(2,726)</b>	<b>4,918</b>
Depreciation and amortisation	(9)	(15)	(9)	(15)
Liability forgiven	-	-	-	-
Reduction / (Increase) in doubtful debts	(392)	(74)	(392)	(74)
Net Gain / (loss) on sale of plant and equipment	-	-	-	-
Increase / (decrease) in Receivables	5,720	(863)	5,720	(863)
(Increase) / decrease in Payables	7	(1,776)	7	(1,776)
(Increase) / decrease in Provisions	7,264	75,162	7,264	75,162
(Increase) / decrease in Other Liabilities	0	2,602	0	2,602
<b>Net result</b>	<b>9,864</b>	<b>79,954</b>	<b>9,864</b>	<b>79,954</b>

### 17. Financial instruments

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

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

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

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### (a) Financial instrument categories

<b>Financial Assets</b>	<b>Note</b>	<b>Category</b>	<b>Consolidated Carrying Amount 2013 \$'000</b>	<b>Consolidated Carrying Amount 2012 \$'000</b>	<b>Parent Carrying Amount 2013 \$'000</b>	<b>Parent Carrying Amount 2012 \$'000</b>
<b>Class:</b>						
Cash and cash equivalents	6	N/A	18,592	21,333	18,592	21,333
Receivables <sup>(1)</sup>	7	Loans and receivables (at amortised cost)	7,300	1,594	7,300	1,594
Other Financial Assets	8	Loans and receivables (at amortised cost)	142,101	135,691	142,101	135,691

<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Consolidated Carrying Amount 2013 \$'000</b>	<b>Consolidated Carrying Amount 2012 \$'000</b>	<b>Parent Carrying Amount 2013 \$'000</b>	<b>Parent Carrying Amount 2012 \$'000</b>
<b>Class:</b>						
Payables <sup>(2)</sup>	11	Financial liabilities measured at amortised cost	5,241	4,962	5,241	4,962
Borrowings	12	Financial liabilities measured at amortised cost	142,892	136,091	142,892	136,091

#### Notes:

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

### (b) Credit Risk

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

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

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

#### Cash

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

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### Receivables – trade debtors

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

The Agency is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2013: \$0; 2012: \$0) and past due (2013: \$0; 2012: \$0) but not considered impaired. Together these represent 100% of the total trade debtors.

### Other Financial Assets

Other Financial Assets represents loans advanced by the Agency to primary producers and small businesses under various schemes. The carrying amount of Advances Receivable-Loans to Clients represents the present value of the outstanding principal and interest raised not accrued. Collectability of Advances Receivable-Loans to Clients is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). Interest is charged on the loans using various methods and rates, depending on the loan scheme. Currently, the interest rate on the special conservation scheme loans is set at 75% of the current NSW Treasury Corporation 10-year Bond Rate adjusted quarterly. This interest rate is set at the approval rate and is fixed for the life of the loan. The interest rate on Natural Disaster Loans is fixed at 50% of the 10-year Bond Rate. Currently the rate is 1.69% fixed for a year.

Special conservation scheme loans may be drawn down over a period, generally 12 months, and are recognised at fair value, usually based on the transaction cost or face value until fully determined (2013: \$1.464m; 2012: \$1.447m). Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

The Agency is not materially exposed to concentrations of credit risk to a single loan debtor or group of loan debtors. Based on past experience, debtors that are not past due and not impaired (2013: \$140.902m; 2012: \$134.138m) and past due (2013: \$1.199m; 2012: \$1.554m) but not impaired together represent 99.4% (2012: 99.7%) of the total loan debtors.

	Total <sup>1,2</sup> \$'000	Past due but not impaired \$'000	Considered impaired \$'000
<b>2013</b>			
< 3 months overdue	548	414	134
3 months – 6 months overdue	171	171	-
> 6 months overdue	1,270	613	657
<b>2012</b>			
< 3 months overdue	493	488	5
3 months – 6 months overdue	143	143	-
> 6 months overdue	1,187	922	265

#### Notes:

- Each column in this table represents "gross receivable"
- The ageing analysis excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivable total recognised in the Statement of Financial Position.

### Authority Deposits

The Agency has no funds placed on deposit with TCorp.

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### Other Facilities

The Agency has access to the following banking facilities:

	2013 \$'000	2012 \$'000
MasterCard Limit	15	15

The Agency has an annual loan drawdown facility with NSW Treasury (2013: \$27.500m; 2012: \$55.200m).

### (c) Liquidity risk

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

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an 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% (2012 – 0%).

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

### Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount <sup>1</sup> \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Int. Rate \$'000	Variable Int. Rate \$'000	Non- interest bearing \$'000	< 1 yr	1 – 5 yrs	> 5 yrs
<b>2013</b>								
Payables	-	5,241	-	-	5,241	5,241	-	-
Borrowings:								
Advances repayable	3.35%	179,169	179,169	-	-	23,819	102,166	53,184
		<b>184,410</b>	<b>179,169</b>	<b>-</b>	<b>5,241</b>	<b>29,060</b>	<b>102,166</b>	<b>53,184</b>
<b>2012</b>								
Payables	-	4,962	-	-	4,962	4,962	-	-
Borrowings:								
Advances repayable	3.50%	174,616	174,616	-	-	21,223	97,706	55,687
		<b>179,578</b>	<b>174,616</b>	<b>-</b>	<b>4,962</b>	<b>26,185</b>	<b>97,706</b>	<b>55,687</b>

#### Notes:

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

## FINANCIAL STATEMENTS – NSW RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### (d) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Agency operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the statement of financial position date. The analysis is performed on the same basis as for 2012. The analysis assumes that all other variables remain constant.

#### *Interest rate risk*

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

	Carrying Amount	\$'000			
		-1% Profit	-1% Equity	1% Profit	1% Equity
<b>2013</b>					
<i>Financial assets</i>					
Cash and cash equivalents	18,592	(186)	(186)	186	186
Receivables	7,300	-	-	-	-
Other Financial Assets	142,101	-	-	-	-
<i>Financial liabilities</i>					
Payables	5,241	-	-	-	-
Borrowings	142,892	-	-	-	-
<b>2012</b>					
<i>Financial assets</i>					
Cash and cash equivalents	21,333	(213)	(213)	213	213
Receivables	1,594	-	-	-	-
Other Financial Assets	135,691	-	-	-	-
<i>Financial liabilities</i>					
Payables	4,962	-	-	-	-
Borrowings	136,091	-	-	-	-

#### *Other price risk – Tcorp Hour-Glass facilities*

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

### (e) Fair value compared to carrying amount

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

### 18. 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 the audited financial statements.



# Office of the NSW Rural Assistance

## Independent Auditor's Report



### **INDEPENDENT AUDITOR'S REPORT**

#### **Office of the Rural Assistance Authority**

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Office of the Rural Assistance Authority (the Office), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### **Opinion**

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Office as at 30 June 2013, 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### **The Chief Executive's Responsibility for the Financial Statements**

The Chief Executive is responsible for the preparation of the 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 that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

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

My opinion does not provide assurance:

- about the future viability of the Office
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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



Mr Peter Barnes  
Director, Financial Auditor Services

9 September 2013  
SYDNEY

# Statement by the Director - General

## OFFICE OF THE RURAL ASSISTANCE AUTHORITY

### STATEMENT BY THE DIRECTOR-GENERAL

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

- The accompanying financial statements and notes to the accounts have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions;
- The statements exhibit a true and fair view of the financial position and transactions of the Office of the Rural Assistance Authority for the year ended 30 June 2013; and
- At the date on which the statement is signed, there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Date: 6/9/13



Mark Paterson AO  
Director General  
Department of Trade and Investment, Regional Infrastructure and Services

# Financial Statements

## OFFICE OF THE RURAL ASSISTANCE AUTHORITY

### Financial Statements for the year ended 30 June 2013

#### FINANCIAL STATEMENTS – OFFICE OF THE RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

##### Statement of comprehensive income for the year ended 30 June 2013

	Notes	Actual 2013 \$'000	Actual 2012 \$'000
<b>Expenses excluding losses</b>			
Operating expenses			
Employee related	2	2,013	2,495
<b>Total expenses excluding losses</b>		<b>2,013</b>	<b>2,495</b>
<b>Revenue</b>			
Personnel services	3	1,910	2,259
Acceptance by Crown Entity of employee benefits and other liabilities	3	103	236
<b>Total Revenue</b>		<b>2,013</b>	<b>2,495</b>
<b>Net result</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>			
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

# FINANCIAL STATEMENTS – OFFICE OF THE RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

## Statement of financial position as at 30 June 2013

	Notes	Actual 2013 \$'000	Actual 2012 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Receivables		438	417
<b>Total Current Assets</b>		<b>438</b>	<b>417</b>
<b>Non-Current Assets</b>			
Receivables		7	7
<b>Total Non-Current Assets</b>		<b>7</b>	<b>7</b>
<b>Total Assets</b>		<b>445</b>	<b>424</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables		37	32
Accrued salaries, wages and on-costs	4	50	44
Employee Provisions	4	351	341
<b>Total Current Liabilities</b>		<b>438</b>	<b>417</b>
<b>Non-Current Liabilities</b>			
Employee Provisions	4	7	7
<b>Total Non-Current Liabilities</b>		<b>7</b>	<b>7</b>
<b>Total Liabilities</b>		<b>445</b>	<b>424</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>
<b>EQUITY</b>			
Accumulated funds		-	-
<b>Total Equity</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

## FINANCIAL STATEMENTS – OFFICE OF THE RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### Statement of changes in equity for the year ended 30 June 2013

	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 July 2012</b>	-	-
Net result for the year	-	-
Total other comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
<b>Balance at 30 June 2013</b>	<b>-</b>	<b>-</b>
<b>Balance at 1 July 2011</b>	-	-
Net result for the year	-	-
Total other comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
<b>Balance at 30 June 2012</b>	<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

### Statement of cash flows for the year ended 30 June 2013

	Notes	Actual 2013 \$'000	Actual 2012 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(1,889)	(2,265)
<b>Total Payments</b>		<b>(1,889)</b>	<b>(2,265)</b>
<b>Receipts</b>			
Personnel services		1,889	2,265
<b>Total Receipts</b>		<b>1,889</b>	<b>2,265</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	7	<b>-</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>			
Opening cash and cash equivalents		-	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## FINANCIAL STATEMENTS – OFFICE OF THE RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### Notes to the financial statements

#### 1. Summary of Significant Accounting Policies

##### (a) Reporting Entity

The Office of the Rural Assistance Authority (the Office) is a Division of the Government Service, established pursuant to Part 1 of Schedule 1 of the *Public Sector Employment and Management Act 2002*. Under the *Public Sector Employment and Management (Departments) Order 2011* the Office falls within the Trade and Investment, Regional Infrastructure and Services cluster of the public service.

The Office is a controlled entity of the NSW Rural Assistance Authority and is consolidated as part of the NSW Total State Sector Accounts.

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

These financial statements for the year ended 30 June 2013 have been authorised for issue by the Director-General, Department of Trade and Investment, Regional Infrastructure and Services on 6 September 2013.

##### (b) Basis of Preparation

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

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

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

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

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

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

##### (c) Statement of Compliance

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

##### (d) Income recognition

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

## FINANCIAL STATEMENTS – OFFICE OF THE RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### (e) Receivables

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

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

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

### (f) Payables

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

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

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

### (g) Employee benefits and other provisions

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

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

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

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

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

#### (ii) Long service leave and superannuation

The Office's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Office 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 12/06) 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.



## FINANCIAL STATEMENTS – OFFICE OF THE RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions (NSW TC 11/04). The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

### (h) Comparative Information

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

During 2013 the Office moved to a new accounting system and revised chart of accounts. Where necessary, comparatives have been reclassified to be consistent with current year disclosures. This has resulted in some immaterial movements in the 2012 amounts.

#### (i) Employee related

Employee allowances (2012: \$1,000), previously in Other - Miscellaneous is now included within Salaries and wages.

### (i) New Australian Accounting Standards issued but not effective

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial reporting period ended 30 June 2013. Those relevant to the Group are listed as follows:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments (Operative date - 1 Jan 2015)
- AASB 1053 and AASB 2010-2 regarding differential reporting (Operative date - 1 July 2013)
- AASB 2011-2 regarding Trans Tasman Convergence – RDR (Operative date - 1 July 2013)
- AASB 2011-4 Amendments to Key Management Personnel Disclosure Requirements (Operative date - 1 July 2013)
- AASB 2011-6 regarding RDR and relief from consolidation (Operative date - 1 July 2013)
- AASB 2011-12 regarding Interpretation 20 (Operative date - 1 Jan 2013)
- AASB 2012-3 regarding disclosures and offsetting financial assets and financial liabilities (Operative date - 1 Jan 2013)
- AASB 2012-7 and 2012-11 regarding reduced disclosure requirements (Operative date - 1 July 2013)
- AASB 1055 Budgetary reporting (Operative date - 1 July 2014)

These standards / interpretations are not considered to have a material impact.

## 2. Expenses Excluding Losses

	2013 \$'000	2012 \$'000
Employee related		
Salaries and wages (including recreation leave)	1,729	1,944
Superannuation-defined benefit plans	52	52
Superannuation-defined contribution plans	101	119
Long service leave	48	219
Workers compensation insurance	12	12
Payroll tax and fringe benefits tax	71	89
Redundancy	-	60
	<b>2,013</b>	<b>2,495</b>

## FINANCIAL STATEMENTS – OFFICE OF THE RURAL ASSISTANCE AUTHORITY – as at 30 June 2013

### 3. Revenue

	2013 \$'000	2012 \$'000
Personnel services	1,910	2,259
	<b>1,910</b>	<b>2,259</b>
Acceptance by Crown Entity of employee benefits and other liabilities		
Superannuation – defined benefit	52	52
Long Service Leave	48	181
Payroll Tax	3	3
	<b>103</b>	<b>236</b>

### 4. Current / Non-Current Liabilities – Provisions

	2013 \$'000	2012 \$'000
<b>CURRENT</b>		
<b>Employee benefits and related on-costs</b>		
Recreation Leave	218	203
Long Service Leave	133	138
	<b>351</b>	<b>341</b>
<b>NON-CURRENT</b>		
<b>Employee benefits and related on-costs</b>		
Long Service Leave	7	7
	<b>7</b>	<b>7</b>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions – current	351	341
Provisions – non-current	7	7
Accrued salaries, wages and on-costs	50	44
	<b>408</b>	<b>392</b>

### 5. Commitments

There were no operating or other commitments outstanding as at 30 June 2013 (2012, Nil).

### 6. Contingent Liabilities and Contingent Assets

The Office is unaware of the existence of any Contingent Liabilities or Contingent Assets as at balance date (2012, Nil).

### 7. Reconciliation of cash flows from operating activities to the Net result

	2013 \$'000	2012 \$'000
<b>Net cash used on operating activities</b>	-	-
Increase / (decrease) in Receivables	21	(6)
(Increase) / decrease in Payables	(11)	8
(Increase) / decrease in Provisions	(10)	(2)
<b>Net result</b>	-	-

## **FINANCIAL STATEMENTS – OFFICE OF THE RURAL ASSISTANCE AUTHORITY – as at 30 June 2013**

### **8. Audit Fees**

All audit fees are met directly by the NSW Rural Assistance Authority (2013: \$6,632; 2012: \$6,632).

### **9. Financial instruments**

The Office has no cash and cash equivalents and all receivables (2013: \$444,511; 2012: \$424,030) relate to a single debtor, the NSW Rural Assistance Authority. No receivables are past due or impaired.

All liabilities (2013: \$444,511; 2012: \$424,030) are payables, accruals and provisions relating to the supply of personnel services to the NSW Rural Assistance Authority.

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

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

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

### **10. After balance date Events**

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

End of the audited financial statements.

# APPENDICES

## **Management**

1. Legislation
2. Risk management and insurance
3. Budget initiatives: 2013–14
4. Energy management
5. Waste reduction and purchasing policy
6. Payment performance
7. Credit card certification
8. Reviews
9. Records management

## **Stakeholder Relationships**

10. Public interest disclosures
11. Release of Government information
12. Ombudsman
13. Privacy management
14. Consumer response

## **Human Resources**

15. Work Health and Safety
16. Equal employment opportunity
17. Disability action plan
18. Multicultural policies and service program

## 1. Legislation

### State

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

### Commonwealth

The Authority is also responsible for the administration of Australian Government funded assistance. Agreement for funding of the now finalised Exceptional Circumstances Interest Rate Subsidy Scheme expired on 30 June 2013 and has not been extended.

## 2. Risk Management and Insurance

### Internal Audit and Risk Management Statement

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

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

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
<ul style="list-style-type: none"><li>● <b>Core Requirement 3</b>  Independent Chairs and Members – this covers Committee composition, and the requirement to appoint an independent chair and a majority of independent members.</li></ul>	<p>The Authority Board considers that the members of the Authority Audit &amp; Risk Committee have the experience, skills and history to meet the requirements of Independent Chairs and Members, and all of the objectives and goals of the new Public Service Internal Audit and Risk Management Policy.</p> <p>The Hon Katrina Hodgkinson, Minister for Primary Industries, approved an exemption to this requirement for the year ending 30 June 2013 on 17 December 2012, and authorised current Board members to perform this function.</p>

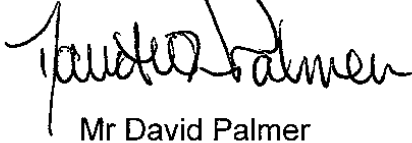
These processes, including the practicable alternative measures being implemented provide a level of assurance that enables senior management of the NSW Rural Assistance Authority to understand, manage and satisfactorily control risk exposures.

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

- Chair, Mrs Barbara Clark;

- Independent Member, Mrs Markeeta Gibson;
- Independent Member, Mr Robert Brown;
- Non-independent Member, Mrs Corinne Kennedy, Manager Policy

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



Mr David Palmer  
Chair

### **Significant improvements in internal control**

The Authority has in place policy and procedures for supplying information to both clients and external bodies in compliance with the *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/Disaster Recovery**

Business Continuity and Disaster Recovery plans for the Information Technology functions provided to the Authority by NSW Trade & Investment under Service Level Agreement have been developed with processes to help overcome envisaged problems as a result of a disaster affecting the Authority's operations.

### **Insurance**

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

The Authority's 2012–13 Workers' Compensation premium decreased on the 2011-12 premium by \$110 due to low claims experience and decreased wages. There were no worker's compensation claims received in 2012–13.

General Insurance premiums increased by \$326 in 2012-13 in line with industry trends.

### **Safety Inspections**

Workplace inspections required under the *Work Health and Safety Act 2011* were conducted by Health Safety Representatives on a regular basis during 2012–13.

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

### 3. Budget Initiatives: 2013–14

The following chart highlights expected Financial Indicators for the 2013–14 financial year.

Financial Indicators	2013-14 Budget \$'000
Total Expenses excluding Losses	49,238
Total expenses include the following	
Employee related	1,928
Other operating expenses	1,265
Depreciation and amortisation	8
Grants and subsidies	37,237
Finance costs	8,800
<b>CAPITAL EXPENDITURE</b>	<b>50</b>

#### Total expenses

The Authority's total expenses for 2013–14 are budgeted at \$49.238 million

The following are provided for in 2013–14 budget:

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

#### Capital expenditure

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

### 4. Energy Management

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

### 5. Waste Reduction and Purchasing Policy

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

#### Waste reduction

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

#### Purchases

The Authority has increased purchase of:

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

#### Resource recovery

The Authority:

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

## 6. Payment Performance

### Accounts paid on time within each quarter

Measure	September	December	March	June
<b>All suppliers</b>				
Number of accounts due for payment	39	62	59	80
Number of accounts paid on time	39	61	57	78
Actual percentage of accounts paid on time (based on number of accounts)	100%	98.3%	96.6%	97.5%
Dollar amount of accounts for payment	\$202,399	\$226,852	\$300,464	\$764,163
Dollar amount of accounts paid on time	\$202,399	\$226,473	\$299,940	\$763,395
Actual percentage of accounts paid on time (based on \$)	100%	99.8%	99.8%	99.9%
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>				
Number of accounts due for payment	0	0	0	0
Number of accounts paid on time	0	0	0	0
Actual percentage of accounts paid on time (based on number of accounts)	0	0	0	0
Dollar amount of accounts for payment	0	0	0	0
Dollar amount of accounts paid on time	0	0	0	0
Actual percentage of accounts paid on time (based on \$)	0	0	0	0
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

### Commentary on Payment Performance

- Percentages of payments paid on time were in line with the Authority's target percentage.
- There were no instances of penalty interest paid or incurred during 2012–13.
- The terms of payment on suppliers are reviewed to ensure that sufficient and reasonable time is afforded the Authority for payment.
- Small Business have been determined from those businesses which have identified as being a small business under Department of Premiers and Cabinet guidelines.



## Aged analysis at the end of each quarter

Quarter	Current (i.e. within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	More than 90 days overdue
	\$	\$	\$	\$	\$
<b>All suppliers</b>					
September	202,399	0	0	0	0
December	226,473	0	379	0	0
March	299,940	0	0	524	0
June	763,395	0	300	468	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

### 7. Credit Card Certification

The Authority has three credit card holders. The maximum limit is \$15,000. These cards are managed in accordance with the Premier's memoranda and Treasurer's directions.

### 8. Reviews

There was one external audit review in 2012–13 with no internal audit reviews completed during the year.

### 9. Records Management

The Authority's records 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. This includes maintenance of existing records (both paper and electronic) and destruction of records in accordance with the Authority's General Disposal Authority.

### 10. Public Interest Disclosure

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

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

### 11. Release of Government Information

The Authority 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 Authority 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 Authority website ([www.raa.nsw.gov.au](http://www.raa.nsw.gov.au)).

### Applications

The Authority is part of the NSW Trade & Investment departmental cluster. Applications under the *Government Information (Public Access) Act 2009* for the Authority are managed centrally and included in the consolidated GIPA

information published in the Annual Report for NSW Trade & Investment.

## 12. Ombudsman

The Authority received no enquiries from the Ombudsman during 2012–13 in relation to schemes administered.

## 13. Privacy Management

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

## 14. Consumer Response

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

Any feedback received by the Authority 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 no formal complaints relating to client services in 2012–13.

## 15. Work Health and Safety

The Authority is committed to providing a safe and supportive working environment. The Work Health and Safety Committee continued to work closely with management in 2012–13 to achieve the Authority's objectives. Workplace inspections required under the *Work Health and Safety Act 2011* continued during the year, with no major areas of concern being identified.

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

Work health and safety procedures and policy form part of the induction program for Authority staff and are regularly reviewed to comply with the Act.

During the year the Authority had no worker's compensation claims.

## 16. Equal Employment Opportunity

### Number of employees

CATEGORY	JUNE 2011	JUNE 2012	JUNE 2013
<b>Chief and Senior Executive Services</b>			
Level 1	1	1	1
Number filled by Women	0	0	0
<b>Administrative &amp; Clerical</b>			
Assessment Staff	11	8	8
Legal	1	1	1
Finance, Administration & Other	12	12	12
<b>TOTAL</b>	<b>25</b>	<b>22</b>	<b>22</b>

### Representation of equal employment opportunity target groups within levels

Remuneration Level of Substantive Position	2011/12			2012/13		
	TOTAL STAFF	WOMEN	NESB (I)	TOTAL STAFF	WOMEN	NESB (I)
\$0 - \$41,679	0	0	0	0	0	0
\$41,679 - \$54,742	3	2	1	3	2	1
\$54,742 - \$61,198	5	4	0	2	2	0
\$61,198 - \$77,441	6	5	0	8	7	0
\$77,441 - \$100,145	4	2	1	5	2	1
\$100,145 - \$125,181	3	0	0	3	0	0
\$125,181 > (Non SES)	0	0	0	0	0	0
\$125,181 > (SES)	1	0	0	1	0	0
<b>TOTAL</b>	<b>22</b>	<b>13</b>	<b>2</b>	<b>22</b>	<b>13</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 1, Year 6 to below minimum Administrative and Clerical Scale Grade 1.

## Representation and recruitment of aboriginal employees and employees with physical disabilities

	2011/12			2012/13		
	TOTAL STAFF	ABORIGINAL PEOPLE	PWPD*	TOTAL STAFF	ABORIGINAL PEOPLE	PWPD*
Total Employees	22	0	0	22	0	0
Recruited in the year	0	0	0	0	0	0

\* People with a Physical Disability

### Trends in the representation of EEO groups

EEO Group	Benchmark or Target	% of Total Staff		
		2011	2012	2013
Women	50%	52.0%	59.1%	59.1%
Aboriginal people and Torres Strait Islanders	2.6%	0%	0%	0%
People whose first language was not English	19%	11%	11.4%	9.1%
People with a disability	N/A	0%	0%	0%
People with a disability requiring work-related adjustment	1.5%	0%	0%	0%

### Trends in the distribution of EEO groups

EEO Group	Benchmark or Target	Distribution Index		
		2011	2012	2013
Women	100	n/a	n/a	n/a
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a
People whose first language was not English	100	n/a	n/a	n/a
People with a disability	100	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a

#### Notes:

1. A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.
2. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

## 17. Disability Action Plan

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

The Authority's Disability Action Plan reinforces the Authority's commitment to minimising, and where possible eliminating, discriminatory practices. It establishes a framework for the Authority to provide services and plan programs to better meet the needs of people with disabilities.

The Authority's plan is currently being reviewed, and on completion will be lodged for approval by the NSW Department of Ageing, Disability and Home Care (DADHC).

## 18. Multicultural Policies and Service Program

The Authority's Multicultural Planning Framework has been developed in line with the principles established in the *Community Relations Commission and Principles of Multiculturalism Act 2000*.

The plan is designed to show how the Authority:

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

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

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

The Authority's plan is currently being reviewed, and on completion will be lodged with the NSW Community Relations Commission.

# INDEX

<b>A</b>	Accounts paid on time	62
	Aged analysis at the end of each quarter	63
	Appendices	58
	Applications Received by type	14, 15, 16
	Applications for assistance summary	13
	Approval amounts	14, 15, 16
	Approvals by type	14, 15, 16
	Australian/State schemes	15
<b>B</b>	Board (the)	17
	Board meetings and attendance	19
	Board members	17
	Budget initiatives	61
	Business continuity	60
<b>C</b>	Certificate under Section 41C	24
	Chair's report	3
	Commentary on payment performance	62
	Commonwealth legislation	59
	Commonwealth/State schemes	15
	Complaints	64
	Consumer response	64
	Contents	2
	Corporate governance	17
	Corporate services	21
	Credit card certification	63
	Customer service	10
<b>D</b>	Disability action plan	67
	Disaster recovery	60
	Disclosures (Public Interest)	63
<b>E</b>	Education (staff)	11
	Electronic service delivery	11

	Employees (number of)	65
	Energy management	61
	Equal Employment Opportunity (EEO)	65
	Equal Employment Opportunity (EEO) statistics	65
	Events (Natural Disaster)	5
<b>F</b>	Farm Debt Mediation	9
	Financial assistance	5
	Financial statements	22, 50
	Flexible working arrangements	12
	Flying-Fox Netting Subsidy Program	9
<b>G</b>	Government Information (Release of)	63
	Grants (NDRRA)	16
	Guarantee of service	10
<b>H</b>	Human Resources	11
<b>I</b>	Independent auditor's report	22, 47
	Induction (staff)	11
	Industrial relations	12
	Information and education	11
	Insurance	60
	Internal audit and risk management	59
	Internal control	60
<b>J</b>		
<b>K</b>		
<b>L</b>	Legislation (Commonwealth)	59
	Legislation (State)	59
	Letter to the Minister	1
	Loans (NDRA)	7, 16
<b>M</b>	Multicultural Policies and Services Program	67
<b>N</b>	Natural disaster events	5
	Natural Disaster Relief Assistance (NDRA)	5

	Natural Disaster Relief and Recovery Arrangements (NDRRA) Grants	7, 16
	Notes to the financial statements	29, 53
<b>O</b>	Ombudsman	64
	Organisation structure	17
	Other assistance	9
<b>P</b>	Payment performance	62
	Performance at a glance	5
	Privacy management	64
	Public interest disclosure	63
	Publicity and promotion	11
	Purchases	61
<b>Q</b>		
<b>R</b>	Rebate on Road Transport	9
	Records management	63
	Recovery grants (NDRRA)	7
	Resource recovery	61
	Reviews	63
	Risk management	59
<b>S</b>	Safety inspections	60
	Schemes	14
	Senior officers	20
	Service delivery (Excellence in)	10
	Significant improvements in internal control	60
	Special Conservation Scheme	8
	Staff education and training	11
	Staff induction	11
	State legislation	59
	State schemes	14
	Statement by the Director General	49
	Statistics on applications and approvals	13
<b>T</b>	Training (staff)	11
<b>U</b>		



V

W	Waste reduction	61
	Waste reduction and purchasing policy	61
	Work health safety	64

X

Y

Z

#### ABBREVIATIONS

CMA	Catchment Management Authority
DADHC	NSW Department of Ageing, Disability and Home Care
DAFF	Department of Agriculture, Fisheries and Forestry
LHPA	Livestock Health and Pest Authority
NSW Trade & Investment	NSW Department of Trade and Investment, Regional Infrastructure and Services
EEO	Equal Employment Opportunity
GIPA	Government Information Public Access
LGA	Local Government Area
NDRRA	Natural Disaster Relief and Recovery Arrangements
NSW DPI	NSW Department of Primary Industries
PWPD	People with a physical disability
RFCS	Rural Financial Counselling Service

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