

Annual Report

2024-2025



NSW Rural Assistance Authority



The Hon. Tara Moriarty, MLC
Minister for Agriculture
52 Martin Place SYDNEY NSW 2000

Dear Minister,

NSW Rural Assistance Authority Annual Report 2024-25

I take pleasure in presenting, on behalf of the members of the RAA Advisory Board, the 2024-25 Annual Report for the NSW Rural Assistance Authority, in accordance with the *Government Sector Finance Act 2018* and Section 10 of the *Rural Assistance Act 1989*.

This report is offered for your information and presentation to Parliament.

Yours sincerely,

Carlie Darling
Chief Executive Officer

14 October 2025



Acknowledgement
of Country

The NSW Rural Assistance Authority stands on Country that always was and always will be Aboriginal land.

From creation, all generations have been caring for Country and sharing with each other, surviving and living in harmony as one. Today, we show our respect by acknowledging the ancient protocols and traditions of the First Nations peoples. We recognise the elders for continuing dreamtime lore, protecting the knowledge of all things

sacred and spiritual, sustaining all living species that called this place home, and preserving the oldest living culture in the world.

We acknowledge the Traditional Custodians of the land and waters, and we pay respect to Elders past, present and emerging. We are committed to providing places in which Aboriginal people are included socially, culturally and economically through thoughtful and collaborative approaches to our work.

Executive summary

After several years of successive natural disasters and biosecurity incursions, the first half of 2024–25 offered a short reprieve for the state’s agricultural sector. This breathing space allowed farmers to shift their focus toward building long-term resilience and exploring more innovative practices.

A year of extremes

Despite the early respite, the year was marked by a series of both chronic and acute events that highlighted the unpredictability of our climate. While drought conditions deepened in the south, the north-east experienced widespread storms and flooding. These contrasting challenges served as a stark reminder that circumstances can shift rapidly, and that preparation remains key to recovery and continuity.

Strengthening regional economies

Uptake of the RAA’s low-interest loan products remained steady throughout the year. These initiatives enabled farmers to save more than \$23.5 million in interest. This significant financial relief has helped strengthen long-term resilience, while maximising the impact of tax-payer funds. Looking ahead, we’re exploring ways to expand this offering, so a broader range of farmers and related industries can access affordable finance to future-proof their operations.

Customer-centric approach

Our commitment to customer service remained unwavering throughout the year. We’re proud that 84% of customers who completed our point-of-contact survey reported a positive experience with the RAA, an outcome that reflects the dedication and professionalism of the RAA team. As members of regional communities ourselves, we remain passionate about supporting the people who live and work in these areas. We’ll continue to evolve and improve our services to meet the needs of customers, now and into the future.



Foreword from the Chief Executive Officer

At the RAA, we regularly encourage farmers to be as prepared as possible for whatever lies ahead. We talk often about building resilience and staying adaptable in the face of an increasingly unpredictable climate.

That same mindset also applies to us as an organisation.

In 2024–25, a brief pause between natural disaster events gave us the opportunity to turn inward - strengthening our people, operations and systems so that we're better equipped to support

those we serve. We invested in ourselves so that we can better support you.

This year, we became more responsive and more proactive. We reviewed our programs, products, and overall customer experience. We identified opportunities for improvement and aligned our efforts more closely with our department's mission to protect, support, and develop primary industries and regional economies.

That work has paid off. When severe storms and flooding struck the east coast again in early 2025, we were ready.

Just hours after the NSW Government announced financial assistance, we were accepting and processing grant applications, supporting the rapid recovery of impacted businesses and communities.

Looking ahead, we'll continue building on this momentum, always looking for ways to improve. At the core, we're a team of people from regional NSW, and we're committed to making sure our communities, economies, and industries are strong, sustainable, and future-ready.

Carlie Darling
RAA CEO

Performance highlights



Contents

Acknowledgment of Country 3

Executive summary 4

Report from the RAA Chief Executive Officer 5

Performance highlights 6

Overview 8

Aim and objectives 9

Our Advisory Board 10

Management and structure 12

Our people 15

Our customers 15

Strategy 16

Strategic objectives and outcomes 17

Current and future strategic plans 18

Operations and Performance 19

Significant operations 20

Management and Accountability 27

Leadership and organisation structure 28

Human resources 29

Privacy and Personal Information Protection Act 1998 (PPIPA) requirements 30

Government Information (Public Access) Act 2009 (GIPA) requirements 30

Public Interest Disclosures Act 1994 30

Records and information management 30

Farm Debt Mediation 30

Fraud and corruption 31

Economic or other factors affecting the achievement of operational objectives 32

Internal audit and risk management 33

Sustainability 38

Workforce diversity 39

Disability Inclusion Action Plans 41

Modern Slavery Act 2018 (NSW) 41

Work Health and Safety 41

Code of conduct 41

Financial Performance 42

Independent Auditor's Report 43

Annual GSF financial statements 45

Investment performance 77

Liability management performance 77

Overview



As a trusted partner for **regional and rural businesses** and the single gateway for financial assistance for primary producers in NSW, the RAA delivers products and programs that incentivise **resilience, innovation** and **productivity improvements**.

Aim and objectives

The RAA's sole purpose is to administer government financial assistance programs, including loans, grants, rebates and subsidies, on behalf of both the NSW and Australian governments.

For more than 30 years, the RAA has helped farm businesses and regional communities become more resilient, self-reliant and sustainable through programs such as the Drought Ready and Resilient Fund and natural disaster recovery programs.

Our long-term outcome is that farming businesses and regional communities are more prepared, productive and resilient due to the efficient provision of the right assistance at the right time.

The RAA also provides insight and advice to the Minister for Agriculture and contributes proactively to farming and rural policies.



Charter

The RAA was established by the *Rural Assistance Act 1989* (NSW) (the Act). The RAA is a statutory body under the *Public Finance and Audit Act 1983* (NSW), and the CEO is a statutory senior executive under the *Government Sector Employment Act 2013* (NSW). The function of the RAA is to administer

a wide range of assistance measures to the rural sector using NSW and Australian government funding. While the rural sector is its core client, the RAA is also responsible for administering loan programs for small businesses and not-for-profits that have suffered loss or damage due to natural disasters and programs to address industry challenges and change.



Our Advisory Board

Role of the Advisory Board

The role of the Advisory Board is to provide advice, primarily to help the CEO address strategic priorities, using their industry experience and expertise to help the RAA achieve positive outcomes.

Functions of the Advisory Board

Under Section 10 of the Act, the Advisory Board is to:

- advise the Minister on the provision of assistance under the Act
- report to the Minister at least annually on the following:
 - the effectiveness of programs of assistance implemented under the Act in meeting the Government's objectives for those programs
 - the performance of the RAA in the delivery of assistance
 - programs implemented or administered under the Act
- determine the RAA's general policies, including setting guidelines for implementing particular programs of assistance under the Act.

This annual report contributes to the Advisory Board's function of reporting to the Minister annually.

Under the Act, the Advisory Board should consist of the CEO and six part-time members (including the Chair) who the Minister for Agriculture appoints in accordance with the Act:

- two of the part-time members should represent farmers
- two should have specific qualifications and experience in banking or finance, farm management or an associated area
- two should have backgrounds in social welfare, rural counselling, conservation or other areas the Minister considers necessary to enable the Advisory Board to carry out its functions.

The Chair of the Advisory Board and part-time members are all independent from the NSW Government and are appointed following an externally advertised application process. A declaration of interests register is maintained, and at each meeting, Advisory Board members disclose any conflicts of interest with their role or the matters under discussion in the Advisory Board meeting.

An appointed part-time member holds office for such period (not exceeding three years) as may be specified in the instrument of appointment but is eligible (if otherwise qualified) for reappointment.

Typical activities of the RAA Advisory Board include:

- ▶ Attending and participating in Advisory Board meetings
- ▶ Providing objective advice and contributions to strategic plans and value creation
- ▶ Focusing on big-picture strategic issues, industry and market trends
- ▶ Giving fresh insights and views on emerging or unfamiliar issues
- ▶ Debating and supplying high-quality advice to support decision-making
- ▶ Helping with networking, promoting, and participating in open, frank and free-flowing discussions
- ▶ Working with the senior management team as project sponsors when required
- ▶ Responding to ideas from the decision-makers.

Members of the Advisory Board in 2024-2025

- Darren Budworth, RAA CEO (until 10 October 2024)
- Carlie Darling, RAA CEO (Acting CEO, appointed 24 February 2025)
- Louise Clarke
- Derek Schoen

Meetings of the Advisory Board

The Advisory Board met eight times during the 2024-25 financial year (see table 1.1 for details).

Key items tabled for advice include:

- Risk and Governance Framework including the Risk Management Plan, Credit Risk Control Plan, Fraud and Corruption Control Plan
- Policy Register
- Systems upgrades
- RAA loan products

Further information on the Advisory Board can be found on the RAA website at: www.raa.nsw.gov.au/about-us/board



Figure 1.1 (top left): Darren Budworth, former RAA CEO and Executive Director on the Advisory Board

Figure 1.2 (top right): Carlie Darling, RAA CEO and Executive Director on the Advisory Board

Figure 1.3 (bottom left): Louise Clarke, Advisory Board Member and Acting Chair

Figure 1.4 (bottom right): Derek Schoen, Advisory Board Member



Table 1.1: Meetings of the RAA Advisory Board in 2024-25

Meeting date	Meeting type	Location
7 August 2024	Teleconference	Online
2 October 2024	Quarterly	Orange
9 October 2024	Teleconference	Online
27 November 2024	Quarterly	Orange
5 February 2025	Teleconference	Online
8 April 2025	Quarterly	Online
7 May 2025	Teleconference	Online
11 June 2025	Quarterly	Orange



Management and structure

The RAA management team, led by the CEO, provides the leadership to deliver the RAA's programs effectively and responsibly in line with our strategic direction, the NSW Government's priorities and our Advisory Board's guidance.

Our departmental structure

The RAA is a Statutory Authority under the Act and is accountable to the Minister for Agriculture through the Department of Primary Industries and Regional Development (the department). The RAA also reports to the RAA Advisory Board.

The CEO is a statutory senior executive employed by the public service who reports to the Secretary of the department, Steve Orr, who reports to the Minister, the Hon. Tara Moriarty. The Minister is responsible for our governing legislation, the *Rural Assistance Act 1989*, and provides direction and control of activities, including the programs administered and the appointment of the RAA Advisory Board.

Figure 1.5 (top of page): RAA Executive and Management Team members (L-R) Amanda Piper, Angus Calder, Carlie Darling, Darren Budworth, Justine Rumble and Karina Morris.

Our management team



Chief Executive Officer
Carlie Darling, PhD Neuroscience,
BPsyc(Hons), GAICD

Carlie is the CEO of the RAA and serves as an Executive Director on the RAA Advisory Board.

Carlie joined the RAA in November 2022, bringing a wealth of experience from senior roles across the department. With a strong foundation in stakeholder engagement, communications and risk management, Carlie is committed to ensuring RAA programs are grounded in

well-designed strategies and innovative policies to achieve organisational goals.

As leader of the RAA's highly engaged management team, Carlie works closely with a wide range of stakeholders and government partners. Together, they build trust, navigate an evolving landscape, and drive positive outcomes for NSW communities, primary industries, and stakeholders.





Manager Customers and Programs

Amanda Piper

Amanda joined the RAA in 2017. Before that, she worked in the financial services sector, with experience in personal, commercial and agribusiness lending. Amanda has held operational roles across the loans and grants assessment teams during her time with the RAA. Amanda leads a team that focuses on everything related to the 'front end' of program administration, including connecting with our customers and stakeholders and accepting and assessing applications.



Manager Operations and Systems

Justine Rumble, BMgmt

Justine joined the RAA in October 2019. Before that, she worked in the financial services sector, where she had experience in both agribusiness and commercial lending. Justine leads a team that focuses on all activities related to the 'after approval' operations of program administration, including loan documentation, loan finalisation and arrears management. Justine also leads project management for new and existing programs, including the system build, implementation and process improvements of RAA programs.



Manager Risk and Governance

Karina Morris

Karina joined the RAA in 2018. Before that, she worked in local government for over 10 years, with experience in both finance and corporate service functions. During her time with the RAA, Karina has worked across multiple areas within the business. The Risk and Governance Team focuses on identifying and monitoring internal risks and implementing and reviewing RAA policies. The team also advises the RAA's CEO, Advisory Board, Minister and the department on financial assistance programs.



Manager Strategic Finance

Angus Calder, BA, CPA

Angus joined the RAA in May 2024, having previously worked in the Business Advisory Team within the department. Before this, Angus worked in the wealth management industry for over ten years, most recently with Morgan Stanley as Head of Platforms, managing operational and client-facing systems, including custody, execution, and performance and tax reporting. Angus leads the RAA's Finance Team in delivering timely financial reporting and works with senior management to deliver on the RAA's strategic objectives.

Our people

At 30 June 2025, the RAA had 27 ongoing staff, 19 fixed-term staff, and 6 casual, contingent, or on-secondment staff, with a total of 52 staff.

The RAA operated with a total funding expenditure of \$32.2 million and the team managed a loan book valued at \$733.2 million.

Our customers

The RAA is committed to supporting NSW's regional and rural businesses and communities in preparing for, responding to, and recovering from challenges and change affecting their business, community and livelihood.

During the financial year, the RAA supported 14,824 primary producers, small and medium business operators, and non-profit organisations in NSW who sought financial assistance through a loan, grant, rebate or subsidy.

In addition, our team fielded 18,015 customer calls, responded to 16,283 emails and received 319,565 visits to our website.

The RAA is committed to delivering exceptional service to our customers, as documented in our Customer Service Charter and demonstrated by the high customer satisfaction results achieved throughout the year and in previous years.



Strategy





Strategic objectives and outcomes

The RAA supports the State's farming businesses and other rural and regional industries to be more innovative, productive and resilient, by providing well-targeted government financial assistance programs.

Our strategic objectives are targeted towards effectiveness, efficiency and customer satisfaction.

In the 2024-25 financial year, the RAA delivered \$194.7 million in funding across all programs, \$70.7 million in grants, rebates and subsidies and \$123.9 million in concessional loans.

Our team approved 733 applications for financial assistance and processed 3,140 claims, with a mean customer satisfaction rating of 84%.

Over the past five years, a large majority of the funding administered by the RAA has been targeted at primary producers responding to and recovering from natural disasters and adverse weather.

In 2024-25, the RAA disbursed a relatively low value of funds with respect to previous years. While loan disbursements remained similar (approximately \$124 million each year),

grant disbursements were significantly lower (approximately \$71 million compared to \$726 million in 2023-24). This largely reflected the absence of any significant natural disaster events being declared until late 2024-25.

The RAA expects to see significant disbursements made in 2025-26 as applications relating to Tropical Cyclone Alfred and the NSW East Coast Severe Weather events continue to be processed and paid.

Current and future strategic plans

As the administrator of targeted NSW Government financial assistance programs, the RAA plays a vital role in helping the department achieve its purpose of protecting, supporting, and developing primary industries and regional economies.

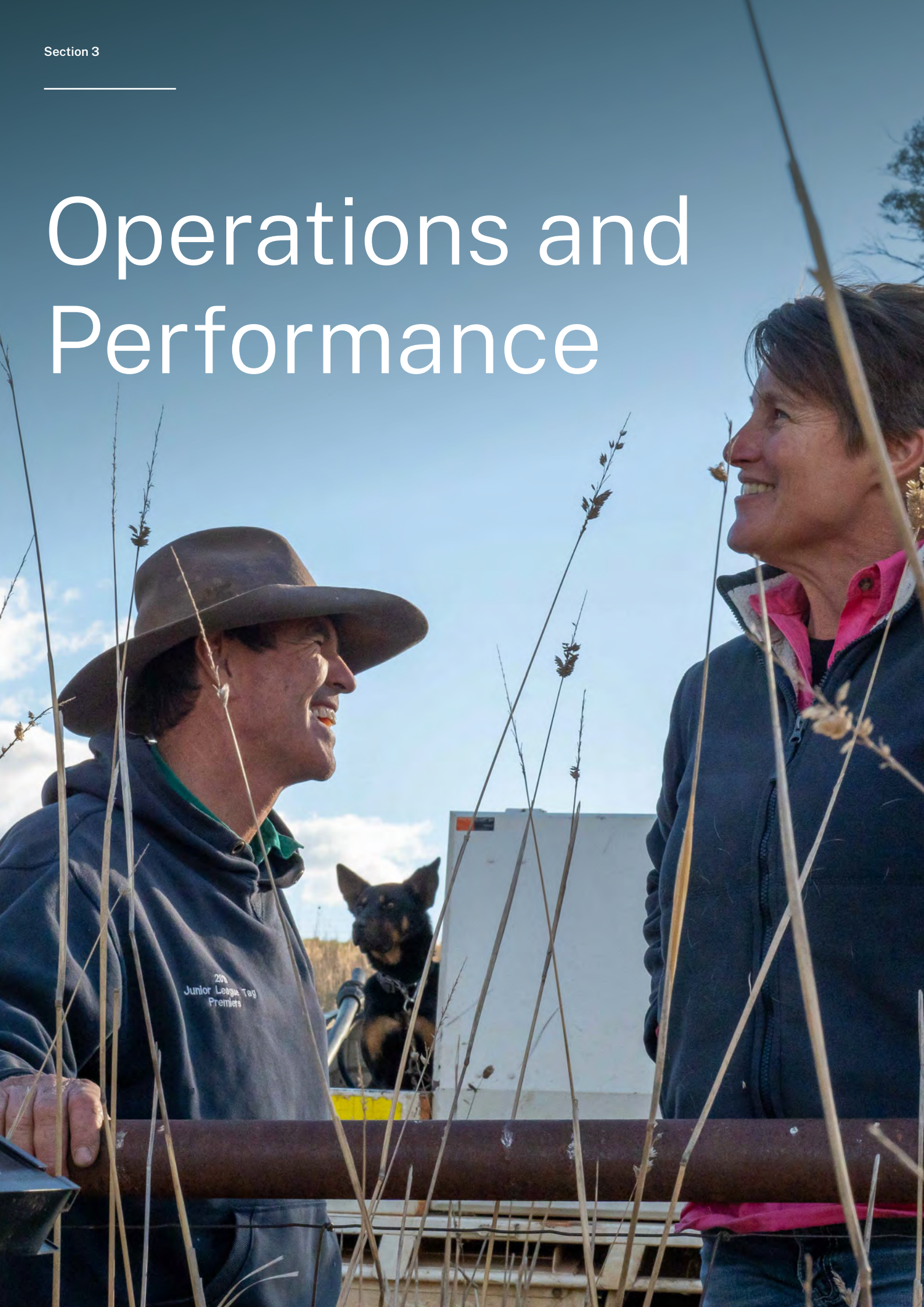
The department is committed to growing primary industries and driving regional economic development that delivers long-term benefits for the people who live and work in regional NSW.

A core focus of the RAA's work is delivering targeted, timely, and proportionate low-interest loan programs that align with the department's objective of supporting and strengthening regional communities.

We will also continue to operate with agility, enabling our team to quickly implement tailored financial assistance programs in response to adverse events such as natural disasters, drought, and biosecurity outbreaks.



Operations and Performance



Significant operations

The RAA administers government financial assistance programs, including loans, grants, rebates and subsidies, on behalf of the NSW and Australian governments.

Loans

Concessional loan products with appealing terms and low interest rates are offered to help borrowers build resilience, increase productivity and sustainability or recover from natural disasters.



Natural Disaster Relief Loan

Primary producers, small business operators, sporting and recreation clubs and associations, and non-profit organisations in disaster declared local government areas (LGAs) are eligible to apply for a concessional loan to support rapid recovery. In 2024-25, the RAA approved 38 Natural Disaster Relief Loans (NDRs) totaling \$4.3 million. These loans assisted with the costs of clean-up and reinstatement for primary producers and small businesses directly impacted by eligible disasters. Approved loans supported businesses across various industries, including aquaculture, beef, berries, cropping, dairy, horticulture, mixed farming, sheep, and vegetables.



Drought Ready and Resilient Fund Loan

The Drought Ready and Resilient Fund provides low-interest loans of up to \$250,000 to primary producers in NSW. These loans can be used for a variety of activities, including animal welfare, farm preparedness, income diversification, environmental improvements, and business development and training. In 2024-25, the RAA approved 21 loan applications under the Drought Ready and Resilient Fund, totaling \$3.88 million. Throughout the year, interest in the loan product grew as producers and landholders gained a deeper understanding of the range of eligible products, activities, and services that can be funded for drought preparedness, response, and recovery. The overall effectiveness of this Fund, and other loan programs, is currently being evaluated.



Drought Infrastructure Fund Loan

Previously known as the Farm Innovation Fund loan, the Drought Infrastructure Fund has been a key component of the NSW Government's strategy for preparing, responding to, and recovering from drought. In January 2025, the Drought Infrastructure Fund Loan closed to applications after all available funds were allocated to approved applicants. In 2024-25, the RAA approved 208 loan applications under the Drought Infrastructure Fund, totaling \$87.7 million. These loans were used primarily for investments in permanent on-farm infrastructure to manage adverse seasonal conditions, improve long-term sustainability, and enhance farm productivity.

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Seafood Innovation Fund Loan

Launched in 2019, the Seafood Innovation Fund aimed to assist commercial fishers and aquaculture farmers in identifying and addressing business risks, enhancing permanent assets and infrastructure, and ensuring long-term productivity and sustainability of marine, estuarine, and land-based environments. In January 2025, the Seafood Innovation Fund Loan closed to applications after all available funds were allocated to approved applicants. In 2024-25, the RAA approved four loan applications under the Seafood Innovation Fund, totalling \$594,000.



Engine and Emerging Industries Loan

The Engine and Emerging Industries Loan pilot program was designed to support regionally based food and beverage manufacturers to adopt advanced manufacturing capabilities. Eligible regional enterprises could apply for a low-interest loan of between \$100,000 and \$1 million to fund investment in new technologies and equipment to increase efficiency and productivity. The pilot program was open from 17 May 2024 and closed on 17 June 2024 when all available funds had been allocated. In 2024-25, three approved food and beverage manufacturers were allocated loans totaling \$1.70 million, with \$3.08 million disbursed relating to approved applicants across the life of the program.



Forestry Industries Innovation Fund Loan

The Forestry Industries Innovation Fund Loan, launched in 2018, provided low-interest loans for projects to improve innovation and develop new markets within the NSW forestry and forest products industry. The scheme closed in 2022. Applications were not accepted during 2024-25; however, \$5.42 million was disbursed to previously approved applicants within the period.



Grants, rebates and subsidies

The RAA delivers NSW and Australian government funded grant, rebate, and subsidy programs to support recovery from natural disasters and provide industry assistance.



Special Disaster Grants

In the 2024-25 financial year, the RAA completed processing the remaining Special Disaster Grant claims related to the severe weather and flooding events of 2022, which closed to claims in May 2024. Over the year, \$55.5 million was disbursed to approved applicants to support recovery.



Natural Disaster Relief Grants

The Natural Disaster Relief Grant opened for applications on 4 June 2025. From opening until the end of the 2024-25 financial year, 39 applications by primary production businesses were approved for grant funding to assist with natural disaster recovery from either ex-Tropical Cyclone Alfred or the NSW East Coast Severe Weather event, with a total of \$80,000 disbursed to approved applicants. For the NSW East Coast Severe Weather event, the Natural Disaster Relief Grant was replaced by the Special Disaster Relief Grant in July 2025.



Rural Landholder Grants

In the 2024-25 financial year, the RAA completed processing the remaining Rural Landholder Grant claims related to the severe weather and flooding events of 2022. Over the year, \$42,408 was disbursed to approved applicants to support recovery. A Rural Landholder Grant program was opened for the NSW East Coast Severe Weather event with a total of 16 applications approved during the 2024-25 financial year.

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Critical Producer Grants

In 2024-25 the RAA finalised its administration of the Critical Producer Grant program, which provided targeted support to key primary production industries impacted by the February and March 2022 floods. Depending on their impacted industry, applicants could apply for grants of up to \$100,000 to assist with the viability and recovery of their enterprise. Disbursements totalled \$26,397 in 2024-25.



Donated Fodder Transport Subsidies

In 2024-25, 27 applications were approved, and \$5.41 million was disbursed to support non-profit organisations donating and transferring fodder to central locations in NSW to benefit primary producers whose property was affected by natural disasters. This funding was used to subsidise 522 runs carrying 8,851 tonnes of donated hay, which provided relief to 1,556 farm businesses across the State.



Natural Disaster Transport Subsidies

In 2024-25, 361 primary production businesses were approved for transport subsidies to assist with the cost of transporting stock, fodder, water, bees and oysters following a declared natural disaster event. These subsidies totalled \$2.14 million, with \$1.95 million disbursed to approved applicants during the year.

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Sheep and Goat eID Infrastructure Rebates

In 2024-25, the RAA administered the Sheep and Goat eID Infrastructure Rebate program, which reimbursed eligible primary production enterprises, stock and station agents, saleyards, abattoirs and knackeries for costs associated with the implementation of mandatory individual electronic identification (eID) tagging for sheep and farmed goats within NSW. Applications were not open for this program during 2024-25, however \$6.46 million was disbursed to previously approved applicants within the period.



Varroa Mite Emergency Response Program

In 2024-25, the RAA finalised its administration of the Varroa Mite Response Program, which supported beekeepers affected by the Varroa mite outbreak in NSW that commenced in 2022. Reimbursement was made available for hives and equipment destroyed, bees baited, as well as the value of honey product foregone as a result of the response. Applications were not accepted during 2024-25; however, \$331,365 was disbursed to previously approved applicants within the period.



Horticultural Netting Program Trial

In 2024-25, the RAA finalised its administration of the Australian Government's Horticultural Netting Program Trial, which was designed to assist horticulturalists to develop resilience and adapt to Australia's ever-changing climate. Through the program, horticulturalists in NSW could apply for a grant of up to 50% of eligible costs to purchase and install new protective netting over established horticulture crops, to a maximum of \$100,000. Applications were not accepted during 2024-25; however, \$809,543 was disbursed to previously approved applicants within the period.

**Table 3.1:** Number of loan applications, value of approved applications and value of disbursements

Loan program	Number of applications approved	Value of approved applications	Value of disbursements
Drought Infrastructure Fund Loan	208	\$87,709,109	\$107,381,543
Natural Disaster Relief Loan	38	\$4,316,950	\$3,594,300
Drought Ready and Resilient Fund Loan	21	\$3,876,900	\$3,420,923
Engine and Emerging Industries Loan	3	\$1,698,800	\$3,084,240
Seafood Innovation Fund Loan	4	\$594,000	\$1,075,825
<i>Forestry Industries Innovation Fund Loan</i>	N/A	N/A	\$5,416,353
Total	274	\$98,195,759	\$123,973,184

Table 3.2: Number of grant applications, value of approved applications and value of disbursements

Grant, rebate or subsidy program	Number of applications approved	Value of approved applications	Value of disbursements
Special Disaster Grant	9	\$156,162	\$55,611,246
Donated Fodder Transport Subsidy	27	\$11,570,953	\$5,410,499
Natural Disaster Transport Subsidy	361	\$2,139,588	\$1,945,024
Natural Disaster Relief Grant	39	\$975,000	\$80,000
Rural Landholder Grant	16	\$160,000	\$42,408
<i>Sheep and Goat eID Infrastructure Rebate</i>	N/A	N/A	\$6,456,957
<i>Horticultural Netting Program Trial</i>	N/A	N/A	\$809,543
<i>Varroa Mite Emergency Response Program*</i>	7	\$331,365	\$331,365
<i>Critical Producer Grant</i>	N/A	N/A	\$26,397
Total	459	\$15,333,068	\$70,713,439

* Applications approved in 2024-25 following resolution of legal proceedings

Value approved is the total value of funds made available to successful applicants within the reporting period. Programs shown in italics were closed to new applications prior to the reporting period, and any approvals recorded relate to program finalisation activities.

Value disbursed is the total value of funds paid to successful applicants within the reporting period (not restricted only to applications approved within the period).



Grants administration

The RAA has robust internal processes that ensure that tax-payers' money is distributed only to those who can demonstrate that they meet the eligibility criteria for each program. This is supported by mandatory compliance with the NSW Government's Grants Administration Guide, which outlines mandatory requirements for administering grants.

Customer satisfaction

The RAA aims to ensure that at least 80% of its customers rate their experience with the RAA as positive at both the point of application and post-approval. In 2024-25, 84% of customers who completed the point-of-contact survey indicated they had a positive experience (Figure 3.1). There were not enough responses to provide post-approval results for 2024-25.



Figure 3.1 (right): Average customer satisfaction rating at the point of contact compared to the benchmark of 80%.

Management and Accountability





Leadership and organisation structure

Governance structure

The RAA CEO is a member of the RAA Advisory Board, has responsibility for managing and controlling RAA affairs in accordance with Advisory Board policies, and is taken to do ‘any act, matter or thing done in the name of, or on behalf of’ the RAA.

The Advisory Board meets regularly and as needed to set direction and promote the object of the *Rural Assistance Act 1989*: the proper and efficient delivery of programs of assistance to farmers and other persons engaged in rural industries and to other persons as provided by the Act.

The CEO is supported by an Audit and Risk Committee (ARC). The ARC advises the CEO and the Advisory Board by

monitoring and reviewing the RAA’s governance processes, risk management and control frameworks, and external accountability requirements. The RAA continues to have a dedicated ARC that the department now administers.

The ARC met seven times in 2024-25 and advised on finalising the RAA’s financial statements.

The ARC has oversight of the internal audit program and reviewed the Loan Program Evaluation that commenced in 2024-25.

The internal audit function is a critical component of the second line of defence and has identified many business improvement opportunities.

Risks

The RAA’s top risks include its high dependency on shared departmental services and ineffective credit risk management.

Future state systems are currently being designed to allow the RAA the ability to make updates without relying on third party vendors. The RAA also engages external law firms to provide legal advice within tight deadlines.

Internal controls are in place to monitor and manage credit exposure, enhancing forecasting and credit assessment processes. Updated internal policies and procedures strengthen and help to minimise the risk exposure.

Senior executives and remuneration

There was one senior executive at year end, with a total remuneration of \$276,421 including on costs.

Human resources

Consultants

The RAA engaged nine consultancies in 2024-25, with a total value of \$2,317,959 (GST exclusive) for work completed during the year (Table 4.1).

Promotion

There were no overseas visits by employees and officers during 2024-25.

Number of employees by category and compared to the prior year

The RAA's approach to human resources, in terms of recruitment, retention, performance management and release of staff, is informed by an agreement between the department and the RAA, which is in line with the *Government Sector Employment Act 2013* (NSW). The RAA seeks assistance and advice from the department but must undertake most human resources activities.

On 30 June 2025, the RAA had 27 ongoing staff, 19 fixed-term staff, and 6 casual, contingent or on-secondment staff, for a total of 52 staff. The RAA retains a small core of permanent staff and is accustomed to scaling up quickly in response to need, as required in response to drought or natural disasters.



Table 4.1: Consultancies engaged by the RAA during 2024-25

Consultant	Project/Service	Actual costs (ex GST)
KPMG	Discovery, design and build of RAA Loan Solution project	\$947,876
Flowbuilders Pty Ltd	Update of existing and development of new online application and claim forms	\$666,250
MinterEllison	Legal services related to RAA Loan Solution project	\$255,036
Deloitte Touche Tohmatsu	Actuarial and assessment services	\$102,823
Allegis Group Australia Pty Ltd	Project management services related to the RAA Loan Solution project	\$85,143
Expediteit Pty Ltd	Project management services related to the RAA Loan Solution project	\$80,000
Daniels Bengtsson Pty Ltd	Legal services related to RAA operations	\$73,500
ARTD Pty Ltd	RAA Loan Programs Evaluation	\$59,931
Athenian.IO Pty Ltd	Data migration services	\$47,400

Note: The above table is a summary of significant payments to third party consultancies. These are classified separately under **Consultants** and **Professional Services** in the Annual Financial Statements. A portion of these costs relating to the RAA Loan Solution have been eliminated in the Annual Financial Statements as the RAA was reimbursed by DPIRD for these costs.



Privacy and Personal Information Protection Act 1998 (PPIPA) requirements

The RAA holds significant personal information of our customers and is committed to protecting individual privacy and managing that personal information in accordance with the *Privacy and Personal Information Protection Act 1998* (NSW).

The RAA is guided by the department's policies, procedures and reporting requirements in managing private and personal information. Staff have received targeted privacy training to support sound decision-making about handling personal information.

In 2024-25, six privacy-related incidents were recorded. This involved a single customer, and the recipient of the incorrect information confirmed it had been destroyed. The affected parties were satisfied with the RAA's response.

Government Information (Public Access) Act 2009 (GIPA) requirements

Refer to the department's Annual Report for requests to the RAA under the *Government Information (Public Access) Act 2009* (NSW) (GIPA).

Public Interest Disclosures Act 1994

Refer to the department's Annual Report for Public Interest Disclosures under the *Public Interest Disclosures Act 1994* (NSW) within the RAA.

Records and information management

The department manages the RAA's electronic records under a service agreement. That management includes support and advice, but the RAA monitors its adherence to good record management standards and ensures that security risks are managed effectively.

The RAA's Manager of Risk and Governance is the responsible officer for RAA records management.

Farm Debt Mediation

The RAA administers the *Farm Debt Mediation Act 1994* (NSW). Farm debt mediation is a structured negotiation process in which the mediator, as a neutral and independent person, assists the farmer and the creditor to communicate effectively, resolve matters relating to farm debts, and formalise that resolution in an agreement. Mediation is required before a creditor can take possession of property or other enforcement action under a farm mortgage. In 2024-25 the RAA registered 136 new farm debt mediation matters and issued 36 Exemption Certificates under s.14 of the Act to creditors once they met the requirements of the Act (down from 39 in 2023-24). One Prohibition Certificate was issued under s.10 of the Act in 2024-25.

Fraud and corruption

The RAA is exposed to an inherent risk of fraud and corruption, both internally and from external parties, as an administrator of public funds. The RAA has continued to manage fraud and corruption risks with various programs in response to natural disaster events.

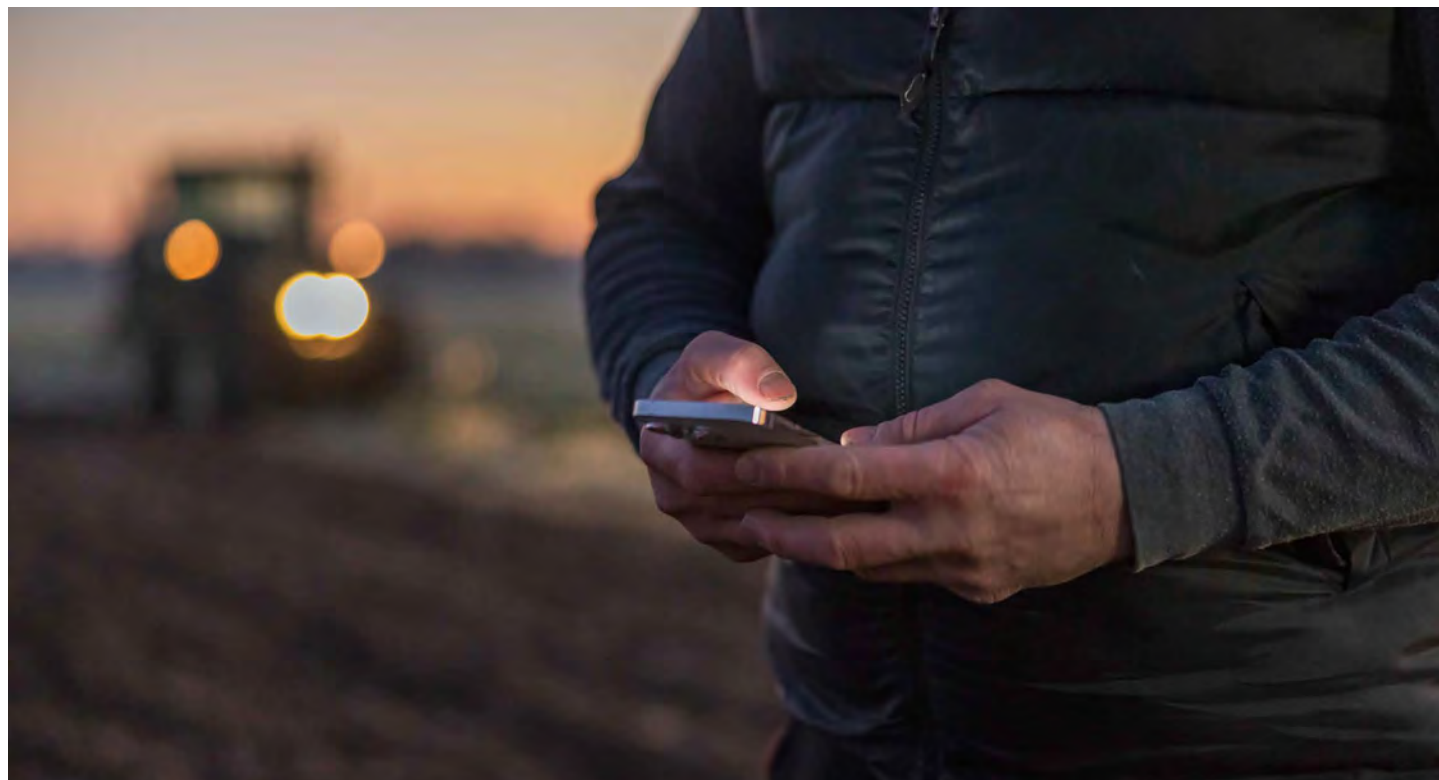
There were 52 instances of suspected external fraud in 2024–25, up from 49 matters from the previous financial year. Most of these cases were opportunistic and unsophisticated attempts at fraud and were identified at the application stage by RAA assessment staff using strong internal controls and countermeasures. They did not result in financial loss.

Medium fraud risks were identified post-application through detection countermeasures and through reports from the public and investigated internally. These fraud risks included applicants using funds for improper purposes or receiving duplicate payments and were managed in accordance with policy.

The RAA Fraud and Corruption Framework is based on best practices to support the RAA in effectively discharging responsibilities under the Act. The framework manages fraud and corruption risks through foundational governance practices and strategies to prevent, detect, and respond appropriately.

The RAA Case Review Panel meets regularly to assist in escalating, decision-making, and referring suspected fraud and corruption matters to the relevant agencies, including the NSW Police Force and the department. The Panel comprises senior management from the RAA and legal and governance representatives from the department.

The RAA reported no new matters to the NSW Police Force for further investigation as potential fraud in 2024-25.



Economic or other factors affecting the achievement of operational objectives

Loan demand remained strong in 2024-25 with \$123.9 million disbursed (approximately the same value as the previous year).

While drought continued to affect southern NSW, seasonal conditions generally remained favourable throughout 2024-25 and are expected to remain so into 2025-26.

The gross value of Australian agricultural production reached \$93 billion in 2024-25 (\$99 billion including fisheries and forestry production), the second highest result on record.¹

On the back of favourable climatic and economic conditions, the underlying value of farmland also increased. On a calendar basis, the median price per hectare of farmland in NSW continued to increase in 2024, supported by improved commodity prices and seasonal conditions. The median price increased to \$9,459 per hectare, up 7.2 per cent from 2023, with the median price having increased by 239.2 per cent over the past 11 years.²

Underlying inflation continued to moderate in 2024-25 and, as of March 2025, is now within the Reserve Bank's target range of 2-3%. Despite this, the announcement of US tariffs in April 2025 has added significant uncertainty to global growth and inflation projections, and will continue to affect Australian agricultural sectors in 2025-26.



¹ ABARES, 'Agricultural Commodities Report June 2025', Department of Agriculture, Fisheries and Forestry, <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/june-2025> (CSV table).

² Bendigo Bank Agribusiness, 'Australian Farmland Values 2025 Report', https://www.bendigobank.com.au/siteassets/business/industries/agribusiness/agriculture-insights/_reports/2025-farmland-values-report.pdf, pg. 18.

Internal audit and risk management

Internal Audit and Risk Management Policy Attestation (compliance with TPP20-08)

Rural Assistance Authority


(Click here to enter a Date)

Director
Financial Management and Accounting Policy
NSW Treasury

By email: finpol@treasury.nsw.gov.au

Re: NSW Rural Assistance Authority - Internal Audit and Risk Management Policy Attestation Statement (FY24/25)

Dear Sir/Madam,

The NSW Rural Assistance Authority Internal Audit and Risk Management Policy Attestation Statement (FY24/25) confirming compliance with TPP 20-08 (Internal Audit and Risk Management Policy for the General Government Sector) is **enclosed**.

If you have any questions or need further information, please contact Clarinda Sheeley, Chief Audit Executive and Chief Risk Officer (clarinda.sheeley@dpird.nsw.gov.au or 0448 519 651).

Sincerely


Carlie Darling
Chief Executive Officer
Rural Assistance Authority

105 Prince Street
Orange NSW 2800

raa.nsw.gov.au

1

Internal Audit and Risk Management Attestation Statement	
2024-2025 Financial Year	
NSW Rural Assistance Authority	
I, Carlie Darling, Chief Executive Officer, Rural Assistance Authority, am of the opinion that the NSW Rural Assistance Authority has internal audit and risk management processes in operation that are, excluding any exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the <i>Internal Audit and Risk Management Policy for the General Government Sector</i> , specifically:	
Core Requirements	Compliant, Non-Compliant, or In Transition
Risk Management Framework	
1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the Agency.	Compliant
1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the Agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function	
2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose	Compliant
2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee	
3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant
105 Prince Street Orange NSW 2800	raa.nsw.gov.au
	2

Shared Arrangements

I, Carlie Darling, Chief Executive Officer, NSW Rural Assistance Authority, advise that the NSW Rural Assistance Authority has entered an approved shared arrangement with the following agencies:

- Department of Primary Industries and Regional Development – Principal Department
- NSW Food Authority
- Regional Growth Development Corporation

The shared resources include the Principal Department Led Shared Audit and Risk Committee, the Chief Audit Executive, Chief Risk Officer and the internal audit team.

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

- **Chair** - Ms Julie Elliott (Term: 1 November 2020 to 30 October 2025)
- **Member** – Mrs Kerry Adby (Term: 1 November 2020 to 30 October 2025)
- **Member** – Mr Gary Humphreys (Term: 1 November 2020 to 30 October 2025).



Carlie Darling

Chief Executive Officer, Rural Assistance Authority



Risk management framework, implementation and monitoring

The RAA has a dedicated and independent Audit and Risk Committee (ARC), which the department manages. The RAA reports on risk and audit matters to the ARC every quarter. The RAA's risk management approach is carried out per the department's Risk Management Framework.

The Manager Risk and Governance oversees the maintenance and review of the enterprise risk management register, which is considered and discussed at monthly assurance working group meetings. This includes a monthly review of existing controls to ensure they are in place and effective, and the consideration of potential risks and their controls.

A program risk register is established for all new programs and written into governance documentation. The risk of financial mismanagement or misallocation is mitigated through a range of controls, one of the most important of which is a financial instrument of delegation ('the delegations') signed by our CEO. This delegation clarifies who has the authority to approve particular activities and to what level. Our financial management system has been developed to mirror the delegations so that it is impossible for a person to make a payment beyond their delegation level. The CEO is responsible for the organisation and the management team.

Assurance framework

The RAA takes the three lines of defence approach to assurance, with management controlling the first line, risk management and compliance in the second line, and the third line involving independent and objective advice.

The RAA maintains an Advisory Board-approved Assurance Policy and a CEO-approved Assurance Framework. The activities required through these documents provide an internal assessment of governance, risk management and control processes.

Assurance processes reassure senior leadership and the Advisory Board that the controls in place to manage risks are adequate and effective.

Insurance arrangements

The RAA participates in an insurance scheme administered on behalf of the NSW Government by icare, which includes coverage for workers' compensation, motor vehicles, public liability, property, and miscellaneous insurance. The RAA's 2024-25 workers' compensation premium is included in the department's premium. One workers' compensation claim was received in 2024-25.

Audits

In August 2024 the NSW Audit Office selected the RAA to conduct a Performance Audit on the emergency relief grants.

The Audit objective was to assess if the RAA had implemented the August – September 2022 Special Disaster Grants in line with the principles and mandatory requirements outlined in the Grants Administration Guide.

The audit was completed in May 2025 with the NSW Audit Office recommending minor improvements to the governance and risk management of grant programs and to update its cost estimate model for forecasting future programs. The final report stated that the RAA followed the program guidelines and met most of the requirements of the Grants Administration Guide.

The NSW Reconstruction Authority was included in the Performance Audit on the emergency relief grants as the program lead agency.

Cyber Security Policy

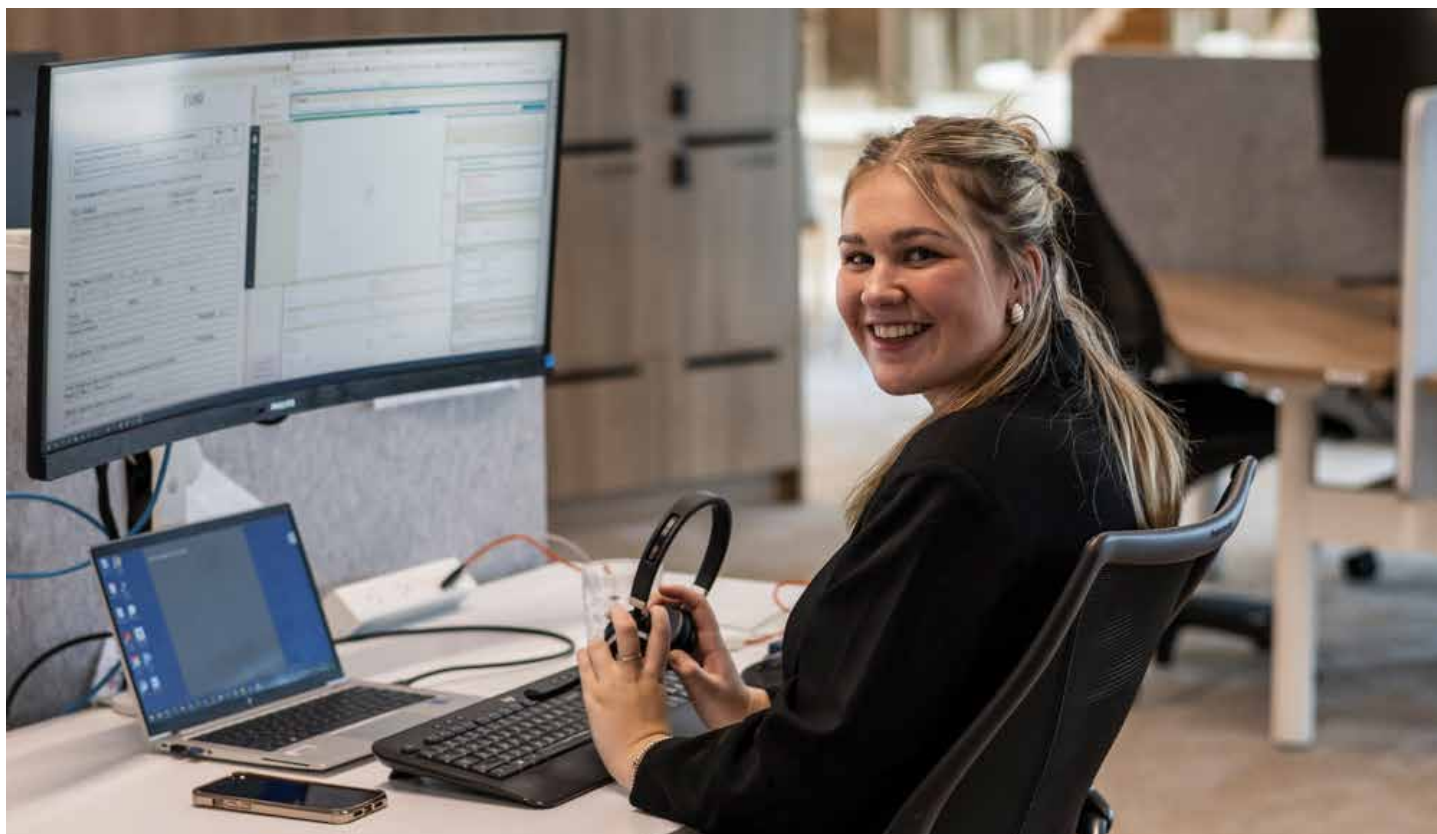
The NSW Government's Cyber Security Policy establishes various obligations for agencies. The department mainly met these obligations for the RAA.

Statements for cyber security from the agency's perspective are provided in the department's annual report.

All staff are required to complete cyber security essentials training online annually.

Ongoing awareness is provided periodically in sessions, including a cyber security refresher on phishing emails and the process for staff to follow if they receive a 'suspicious' email.

There were no cyber security incidents in 2024-25.



Sustainability





Workforce diversity

The RAA has a staffing profile corresponding to our customer base and includes certain employees born abroad or with a global cultural background. It is well recognised that when employees first join an organisation, they may only sometimes choose to disclose their cultural heritage.

The Premier's Department consolidates statistics on the representation and distribution of employees in diversity groups across the NSW Public Sector (see Table 5.1 and 5.2).

For workforce diversity achievements during the reporting year, and the key workforce diversity strategies proposed for 2024-25, refer to the department's consolidated annual report.

Table 5.1: Trends in the representation of workforce diversity groups
(Data source: Premier's Department approved Annual Workforce Profile Report 2025)

Year	2023		2024		2025	
Workforce diversity group	Benchmark	Value	Benchmark	Value	Benchmark	Value
Women	50.0%	83.3%	50.0%	83.9%	50.0%	83.6%
Aboriginal and/or Torres Strait Islander people	3.3%	0.0%	3.3%	2.3%	3.3%	0.0%
People whose first language spoken as a child was not English	23.2%	3.4%	23.2%	3.6%	23.2%	2.0%
People with disability	5.6%	1.5%	5.6%	4.8%	5.6%	5.9%
People with disability requiring work-related adjustment	N/A	0.0%	N/A	0.0%	N/A	0.0%

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2019–2025 takes a career pathway approach in that it sets an ambitious target of 3% Aboriginal employment at each non-executive grade of the public sector by 2025.

Note 3: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for people whose first language spoken as a child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 4: In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2025. More information can be found at: [Age of Inclusion](#). The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Note 5: 2025 diversity data reflects a change in how diversity survey responses were classified, which may affect trends and comparability with previous year.

Table 5.2: Trends in the distribution of workforce diversity groups
(Data source: Premier's Department approved Annual Workforce Profile Report 2025)

Year	2023		2024		2025	
Workforce diversity group	Benchmark	Value	Benchmark	Value	Benchmark	Value
Women	100	N/A	100	N/A	100	N/A
Aboriginal and/or Torres Strait Islander people	100	N/A	100	N/A	100	N/A
People whose first language spoken as a child was not English	100	N/A	100	N/A	100	N/A
People with disability	100	N/A	100	N/A	100	N/A
People with disability requiring work-related adjustment	100	N/A	100	N/A	100	N/A

Note 1: A distribution index score of 100 indicates that the distribution of members of the workforce diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the workforce diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the workforce diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 2: The distribution index is not calculated when the number of employees in the workforce diversity group is less than 20 or when the number of other employees is less than 20.

Disability Inclusion Action Plans

Refer to the department's consolidated annual report for statistics related to the Disability Inclusion Action Plan.

Modern Slavery Act 2018 (NSW)

Refer to the department's consolidated annual report for any statements under the *Modern Slavery Act 2018* (NSW).

Work Health and Safety

We continued to monitor work health and safety (WHS) needs throughout the organisation in 2024-25. Our WHS risks tend to fall in the area of psychosocial, with customer aggression and distress, remote or isolated work associated with working from home and a sometimes excessive workload as the primary concerns.

WHS policy and procedures form part of the induction program for RAA staff. Staff are required to complete WHS training annually to comply with the *Work Health and Safety Act 2011* (NSW) and ensure they remain current with the required knowledge.

There was one WHS incident reported in 2024-25. WHS training forms part of an annual suite of mandatory training that all staff are required to complete.



Code of conduct

One of the RAA's critical controls against errors and misunderstandings is that staff must complete training on the department's code of conduct when they commence employment and annually after that. The code articulates:

- professional standards
- how we should use resources responsibly
- how we manage information
- how we manage risks and make good decisions
- how we engage with the community
- how we speak up and report when needed
- what happens when the code is breached.

Staff learn about conflicts of interest as part of the code of conduct training. The department has a process for declaring conflicts of interest, and staff are taught how to identify and make a declaration.

The RAA delivered additional training to reinforce the messages relating to conflicts of interest and maintained a register to ensure oversight of appropriate internal controls.

If staff fail to meet the standards set by the code, corrective action may be taken under the *Government Sector Employment Act 2013* (NSW). If misconduct is found, the action taken depends on the circumstances. Still, it may include caution or reprimand, assignment to another role, a fine, reduction in grade, or termination of employment.

Financial Performance



Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

New South Wales Rural Assistance Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of New South Wales Rural Assistance Authority (the Authority), which comprise the Statement by the Chief Executive Officer, the Statement of Comprehensive Income for the year ended 30 June 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Authority's financial position, financial performance and cash flows.

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

Basis for Opinion

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

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

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

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Independent Auditor's Report (*continued*)

Chief Executive Officer's Responsibilities for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive Officer's responsibility also includes such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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

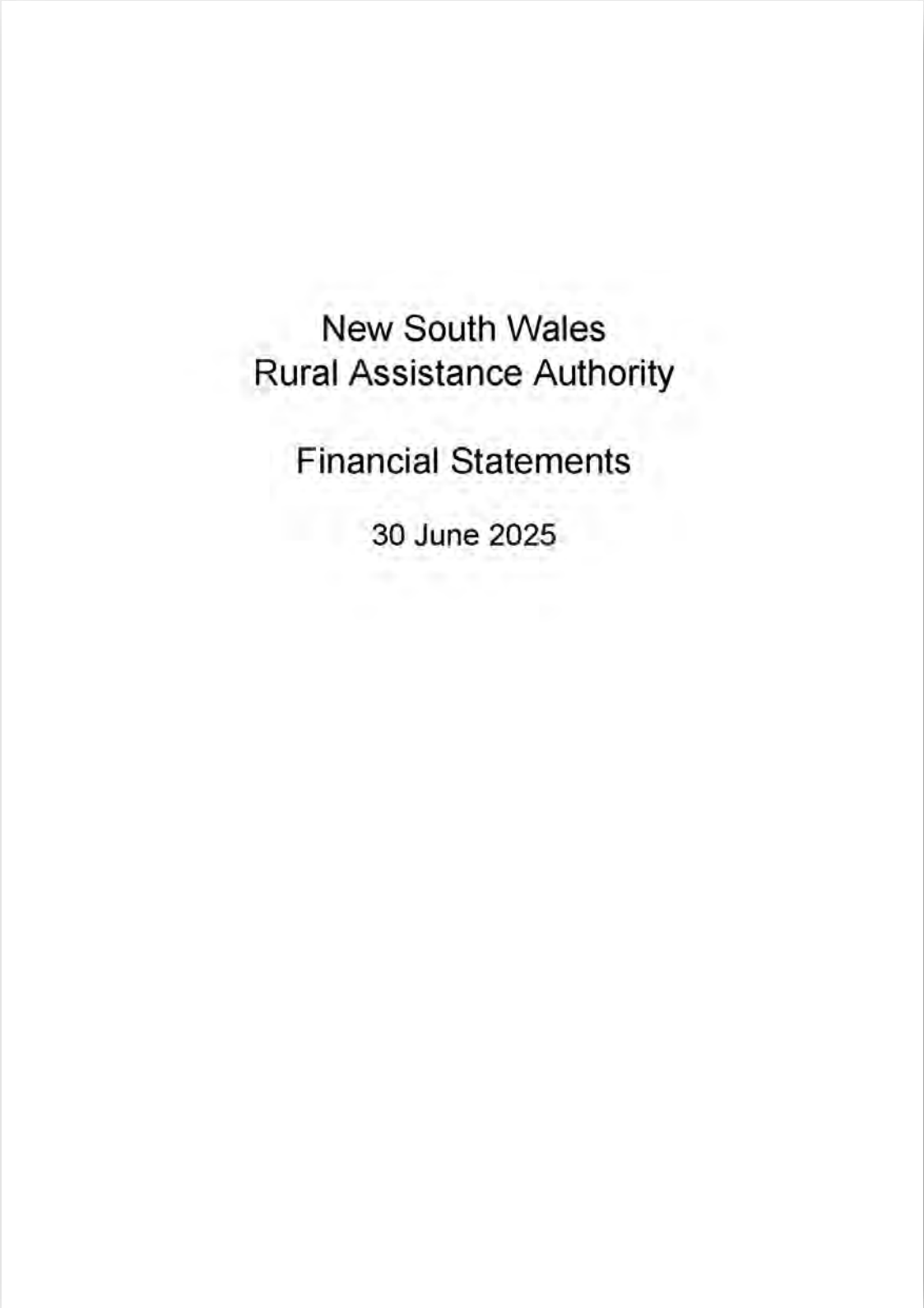


Min Lee
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 September 2025
SYDNEY

Annual GSF financial statements



Annual GSF financial statements (*continued*)

**New South Wales Rural Assistance Authority
Statement by the Chief Executive Officer
for the year ended 30 June 2025**

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- (a) have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2024 and the Treasurer's directions, and
- (b) present fairly New South Wales Rural Assistance Authority's financial position, financial performance and cash flows

Signed 

Carlie Darling
Chief Executive Officer
New South Wales Rural Assistance Authority

Date: 25 September 2025

Annual GSF financial statements (*continued*)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
Expenses excluding losses				
Personnel services	2(a)	6,304	6,026	9,987
Operating expenses	2(b)	5,247	4,786	24,018
Depreciation and amortisation		-	8	-
Grants and subsidies	2(c)	52,939	31,371	589,823
Finance costs	2(d)	23,451	29,834	19,444
Total Expenses excluding losses		87,941	72,025	623,272
Revenue				
Sales of goods and services		-	2,136	-
Investment revenue	3(a)	23,528	60,402	21,091
Grants and contributions	3(b)	58,597	11,003	591,183
Personnel services revenue	3(c)	114	-	188
Other revenue	3(d)	92	1,037	1,328
Total Revenue		82,331	74,578	613,790
Other gains / (losses)	4	1,951	(1,020)	(2,524)
Net Result		(3,659)	1,533	(12,006)
TOTAL COMPREHENSIVE INCOME / (LOSS)		(3,659)	1,533	(12,006)

The accompanying notes form part of these financial statements.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	7	85,548	66,150	113,396
Receivables	8	21,110	73,451	28,069
Other financial assets	9	63,963	99,848	63,772
Total Current Assets		170,621	239,449	206,237
Non-Current Assets				
Other financial assets	9	589,592	655,609	589,208
Property, plant and equipment		-	92	-
Total Non-Current Assets		589,592	655,701	589,208
Total Assets		760,213	895,150	775,445
LIABILITIES				
Current Liabilities				
Payables	11	44,086	16,819	46,251
Borrowings	12	64,388	78,927	63,942
Provisions	13	21,619	6,642	47,234
Total Current Liabilities		130,093	102,388	157,427
Non-Current Liabilities				
Borrowings	12	604,132	760,978	588,372
Provisions	13	9	6	8
Total Non-Current Liabilities		604,141	760,984	588,380
Total Liabilities		734,234	863,372	745,807
Net Assets		25,979	31,778	29,638
EQUITY				
Accumulated funds	14	25,979	31,778	29,638
Total Equity		25,979	31,778	29,638

The accompanying notes form part of these financial statements.

Annual GSF financial statements (*continued*)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2024		29,638	29,638
Net result for the year		(3,659)	(3,659)
Total comprehensive income / (loss) for the year		(3,659)	(3,659)
Balance at 30 June 2025		25,979	25,979
Restated Balance at 1 July 2023		41,644	41,644
Net result for the year		(12,006)	(12,006)
Total comprehensive income / (loss) for the year		(12,006)	(12,006)
Balance at 30 June 2024		29,638	29,638

The accompanying notes form part of these financial statements.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Actual 2025 \$000	Budget 2025 \$000	Actual 2024 \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(6,367)	(6,026)	(9,867)
Grants and subsidies		(56,205)	(2,652)	(652,079)
Finance costs		(16,179)	(21,372)	(13,990)
Other		(3,524)	(6,274)	(5,582)
Total Payments		(82,275)	(36,324)	(681,618)
Receipts				
Sale of goods and services		-	2,136	-
Interest received		15,780	38,887	15,484
Grants and contributions		41,010	11,003	736,683
Other		1,054	20	2,450
Total Receipts		57,824	52,046	754,617
NET CASH FLOWS FROM OPERATING ACTIVITIES	18	(24,451)	15,722	72,999
CASH FLOWS FROM INVESTING ACTIVITIES				
Advance repayments received		86,336	103,390	84,417
Purchases of plant and equipment		-	(50)	-
Advances made		(123,048)	(207,568)	(125,641)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(36,712)	(104,228)	(41,224)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		119,652	240,862	125,643
Repayment of borrowings		(86,337)	(123,630)	(84,507)
NET CASH FLOWS FROM FINANCING ACTIVITIES		33,315	117,232	41,136
NET INCREASE/(DECREASE) IN CASH		(27,848)	28,726	72,911
Opening cash and cash equivalents		113,396	37,424	40,485
CLOSING CASH AND CASH EQUIVALENTS	7	85,548	66,150	113,396

The accompanying notes form part of these financial statements.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025****1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION****(a) Reporting entity**

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

Section 47A of the *Constitution Act 1902* precludes the Authority from employing staff. Under the *Rural Assistance Act 1989*, the Authority can obtain personnel services from Government agencies who are able to engage staff under the *Government Sector Employment Act 2013* to enable the Authority to exercise its functions. During 2024-25, personnel services were provided by the Department of Primary Industries and Regional Development (Principal Department).

These financial statements for the period ended 30 June 2025 have been authorised for issue by the Chief Executive Officer on the date of the accompanying statement by the Chief Executive Officer was signed.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the Government Sector Finance Act 2018 (GSF Act) and
- Treasurer's Directions issued under the GSF Act

Certain financial assets and liabilities are measured using the fair value basis. Other financial statements items prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency which is the entity's presentation and functional currency.

(c) Going Concern

The Financial Report has been prepared on a going concern basis of accounting, which indicates continuity of the Authority's ordinary activities and realisation of assets and settlement of liabilities in the normal course of business.

Aside for the recurrent grants received from the Principal Department, the Authority is reliant on reimbursement for the costs incurred in its activities from the NSW Reconstruction Authority. The NSW Reconstruction Authority currently reimburses agencies up to 100% of the costs incurred on eligible activities subject to Disaster Recovery Funding Arrangements (DRFA) upon a claim being made. In the event of a processing error by the Authority, under the DRFA, the Authority may be held liable for these costs, despite having appropriate controls, policies and procedures in place. In relation to the administrative costs of the program, the Authority is able to claim additional costs. These costs are reimbursed at the resolution of process audits, when the residual balance is paid. These audits can take up to three years to complete. The real and potential funding gap represents a risk to the ability of the NSW Rural Assistance Authority to pay its debts as and when they fall due, and casts doubts upon their ability to continue as a going concern. However, the Authority has received a letter of comfort from the NSW Reconstruction Authority that funding for the programs run by the Authority will be paid in line with the current funding arrangements as and when they are due at year end. Due to other similar funding risks within the Principal Department, the Department of Primary Industries and Regional Development is unable to provide the NSW Rural Assistance Authority with a guarantee of financial support.

The Authority receives grants as part of the Total State Sector (TSS) funding arrangements.

There are no climate-related matters that create material uncertainties related to events or conditions that cast significant doubt upon the Authority's ability to continue as a going concern.

(d) Statement of compliance

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

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025****1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(e) Comparative information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period, 30 June 2024, for all amounts reported in the financial statements.

(f) Deemed appropriation

Section 41 of the *Rural Assistance Act 1989 (the Act)* established a Rural Assistance Authority Fund. Section 42 of the Act noted there shall be paid into the Fund the following:

- (a) all money received by or on account of the Authority, and
- (b) all money advanced to the Authority by the Treasurer or appropriated by Parliament for the purposes of the Authority
- (c) all money received by the Authority under this Act from any other source.

This Fund is a Special Deposit Account and the Authority does not have any deemed appropriation and no disclosure under section 4.7 of the GSF Act on movement of deemed appropriations is required.

(g) Administered activities

The Authority administers, but does not control, certain activities on behalf of the Crown in right of the State of New South Wales ("Crown"). It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources resulting from these transactions for the achievement of the Authority's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Authority's revenues, expenses, assets, and liabilities but are disclosed in the accompanying schedules as administered items. Refer to Note 5 and 21.

The accrual basis of accounting and applicable accounting standards have been adopted for these activities.

(h) Changes in accounting policies, including new or revised Australian Accounting Standards*i) Effective for the first time in FY 2024-25*

The accounting policies applied in 2024-25 are consistent with those of the previous financial year except as a result of the new or revised Australian Accounting Standard that has been applied for the first time in 2024-25.

ii) Issued but not yet effective

The Australian Accounting Standards noted have been issued but are not yet effective and have not been early adopted. The Authority is currently assessing the potential impact of these standards on future financial reporting. At this stage, no material impacts are anticipated.

- AASB 17 *Insurance Contracts*
- AASB 18 *Presentation and Disclosure in Financial Statements*
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between Investor and its Associate or Joint Venture*
- AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*
- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*
- AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*
- AASB 2024-4B *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*
- AASB 2025-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures*

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Impact of Climate-related matters on financial reporting

Under its Climate Risk Program, the Authority will follow the guidance of the Principal Department which has finalised its first pass Climate Risk and Opportunities Assessment (CROA) to enable identification, prioritisation, monitoring and reporting of physical and transitional risks in line with the requirements of the NSW Government's Climate Risk Ready NSW Guide, NSW Treasury's Guidance on how to reflect the effects of climate-related matters in financial statements, and TPG24-33 Reporting framework for climate-related financial disclosures. The Authority has not been confirmed as a Phase 1 entity for climate-related financial disclosures.

The impact of climate-related matters on the financial and non-financial assets held by the Authority are disclosed in the following notes:

- Current / non-current assets - Other financial assets - note 9

2. EXPENSES EXCLUDING LOSSES

	2025 \$000	2024 \$000
(a) Personnel services		
Salaries and wages (including recreation leave)	5,257	8,387
Superannuation	599	838
Long service leave	129	218
Payroll tax and fringe benefits tax	319	544
	6,304	9,987
(b) Operating expenses include the following:		
Administration fees	473	481
Advertising and promotion	3	11
Auditor's remuneration – audit of financial statements	169	163
Bad and doubtful debts	289	6
Consultants	138	233
Contingent workers	15	203
Professional Services	732	2,736
Insurance	25	17
IT & Communication	319	290
Legal fees	97	39
Other expenses – unspent funds	2,795	19,638
Other operating	167	128
Purchase assets < \$5,000	3	1
Training and staff development	10	28
Travel	12	44
	5,247	24,018

Notes

1. Other expenses – unspent funds relates to the return of funds on the Horticultural Netting and Digital Restart Fund programs in the current financial year, in the previous year, this relates to the return of Emergency Water Infrastructure Rebate (EWIR) program that concluded in the 2023 financial year.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2. EXPENSES EXCLUDING LOSSES (continued)

(c) Grants and subsidies

	2025	2024
	\$000	\$000
Apple and Grape Recovery Grants - Bushfire	-	1,376
Critical Producer Package	(216)	68,382
Flood Industry Recovery Grant	-	(4)
Grants expense on low interest loans	24,276	19,776
Horticulture Netting	1,031	1,332
Natural Disaster Relief Grants	13,204	485,536
Rural Financial Counselling Service Funding Agreement	1,652	1,657
Transport Subsidies	12,992	11,768
	52,939	569,823

Recognition and Measurement

Grants and subsidies paid

Grants and subsidies are generally recognised as an expense when the Authority relinquishes control over the assets comprising the grant/subsidies. Accruals are recognised where the Authority has a present obligation to an applicant and the amount for which the Authority is liable is known. Where there is a present obligation the amount liable is estimated from historical approval rates and a provision is recognised.

(d) Finance costs

	2025	2024
	\$000	\$000
Interest on Treasury advance	15,196	12,825
Interest on Commonwealth loans	983	1,165
Amortised interest expense	7,272	5,454
	23,451	19,444

Recognition and Measurement

Finance Costs

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW General Government Sector agencies.

3. REVENUE

Recognition and Measurement

Revenue is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) Investment revenue

	2025	2024
	\$000	\$000
Interest	-	1,652
Interest income on loans	16,256	13,985
Amortised interest revenue	7,272	5,454
	23,528	21,091

Recognition and Measurement

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e., after deducting the loss allowance for expected credit losses).

Revenue from financial assets in the form of interest income is recognised from exempt bank accounts in accordance with TPG24-15 *Treasury Banking System Interest Payments*. If exemption is not provided by Treasury, interest income from bank accounts can not be recognised.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

3. REVENUE (continued)

(b) Grants and contributions

	2025	2024
	\$000	\$000
Grants without sufficiently specific performance obligations:		
Critical Producer	(134)	67,379
Grant revenue on low interest loan	24,249	19,776
Natural disaster relief grants	29,482	488,949
Rural Financial Counselling Service Funding Agreement	-	3,327
Recurrent grants	-	11,752
Regional Development Trust Fund	5,000	-
	58,597	591,183

Recognition and Measurement

Grants and contributions include grants from the Principal Department. Income from grants without sufficiently specific performance obligations are recognised when the Authority obtains control over the granted assets (e.g cash). The Authority is deemed to have assumed control when the grant is received or receivable. Control over contributions is normally obtained upon the receipt of cash. Contributions are not recognised as revenue in the following circumstances:

- Contributions (other than contributions by owners) are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.
- 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 11 as part of 'Current Liabilities – Payables'.

(c) Personnel services revenue

The following liabilities and/or expenses have been assumed by the Crown:

	2025	2024
	\$000	\$000
Long service leave provision	114	188
	114	188

(d) Other revenue

	2025	2024
	\$000	\$000
Loan and grant administration fee	85	1,295
Other Revenue	7	33
	92	1,328

4. OTHER GAINS / (LOSSES)

	2025	2024
	\$000	\$000
Impairment gain/(loss) on financial assets	1,951	(2,524)
	1,951	(2,524)

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

5. TRANSFER PAYMENTS

	2025	2024
	\$000	\$000
Administered Income		
Farms of the Future	-	7,553
Sheep eID	-	19,940
Varroa Mite	331	21,183
Total Administered Income	331	48,676
	2025	2024
	\$000	\$000
Administered Expenses		
Farms of the Future	-	7,553
Sheep eID	5,143	8,344
Varroa Mite	331	21,504
Total Administered Expenses	5,474	37,401

Transfer payments are amounts received for transfer to eligible beneficiaries consistent with the parameters established by legislation or other authoritative requirements. They are not controlled by the Authority and are considered as administered items.

(a) Farms of the Future

The Farms of the Future program aims to foster tech-enabled agricultural production and monitoring, by enhancing connectivity and implementing sensor equipment to drive increased productivity, and the sustainable use of agricultural resources.

(b) Sheep eID

NSW is currently transitioning to mandatory individual electronic identification for sheep and goats. Individual electronic identification (eID) for sheep and goats is an enhancement to the existing mob-based system as part of the National Livestock Identification System (NLIS).

(c) Varroa Mite

To support beekeepers affected by the Varroa mite outbreak in NSW, reimbursement was made available for hives and equipment destroyed, bees bailed, as well as the value of honey product foregone as a result of the Varroa Mite Emergency Response.

Refer to Note 21 for further details on administered assets and liabilities.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

6. STATE OUTCOMES AND PROGRAMS

The Authority operates to contribute to NSW State Outcome that support:

- Economic Management - a vibrant and diverse economy that supports improving living standards, where everyone has access to productive and rewarding jobs
- Disaster risk and emergency support - Communities are prepared for and resilient to disasters and emergencies

This Authority provides financial assistance through loans and grants allowing primary producers, small businesses and not-for-profit organisations to continue operations following natural disasters and to become more resilient, self-reliant and sustainable.

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank or on hand	2025 \$000	2024 \$000
Cash at bank and on hand		
- Restricted (Note 10)	35,587	34,460
- Unrestricted	49,961	78,936
	<u>85,548</u>	<u>113,396</u>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.
Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the year ended 30 June 2025 to the statement of cash flows as follows:

	2025 \$000	2024 \$000
Cash and cash equivalents (per statement of financial position)	85,548	113,396
Closing cash and cash equivalents (per statement of cash flows)	<u>85,548</u>	<u>113,396</u>

Refer Note 19 for details regarding credit risk, liquidity risk, interest rate risk and market risk arising from financial instruments.

Annual GSF financial statements (*continued*)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

8. CURRENT ASSETS - RECEIVABLES

	2025 \$000	2024 \$000
Trade debtors	2,404	7
Less: Allowance for expected trade credit losses	(1)	(7)
Receivable against grant funding programs	14,918	26,136
Interest receivable - on loans	3,232	2,738
Net GST	368	108
Personnel services receivable	5	8
Prepayments	184	81
	21,110	29,069

	2025 \$000	2024 \$000
Movement in the allowance for expected credit losses		
Balance at the beginning of the year	7	5
Increase/(decrease) in allowance recognised in net results	(6)	2
Balance at the end of the year	1	7

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 18.

Recognition and Measurement

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Authority holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The Authority recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Authority expects to receive, discounted at the original effective interest rate.

For trade receivables, the Authority applies a simplified approach in calculating ECLs. The Authority recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority has adopted the Department of Planning, Housing and Infrastructure's provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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

	2025 \$000	2024 \$000
Advances receivable - loans to clients secured	689,204	646,032
Advances receivable - loans to clients unsecured	2,245	6,093
Less: Allowance for expected credit losses 19(d)	(17,894)	(19,145)
	653,555	632,980

Current / Non-Current portion of the advances receivable are as follows:

Current	63,963	63,772
Non-Current	589,592	569,208
	653,555	632,980

	2025 \$000	2024 \$000
Movement in the allowance for expected credit losses		
Balance at the beginning of the year	19,145	17,407
Increase/(decrease) in allowance recognised in net result	(1,251)	1,738
Balance at the end of the year	17,894	19,145

Refer to Note 19(d) for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and Measurement

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Other financial assets are initially measured at fair value plus any transaction cost.

Subsequent measurement

Financial assets at amortised cost

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as separate line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses).

Impairment

The Authority recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Authority expects to receive, discounted at the original effective interest rate.

Effects of the Climate related matters

The Authority assesses the impact of climate-related events, such as floods, bushfires, and other natural disasters on the fair value of its financial assets. Where material impacts are identified, these are incorporated into the expected credit loss calculations for the loan portfolio. For instance, natural disasters may affect a borrower's capacity to repay their loan to the Authority. As part of the Department's Climate Risk Program, all assets will be monitored in accordance with their identified risk profiles. For further details on the expected credit loss assumptions, refer to Note

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025****10. RESTRICTED ASSETS**

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

	2025 \$000	2024 \$000
CURRENT		
Commonwealth Concessional Loans	302	451
Dairy Industry Fund	335	335
Emergency Water Infrastructure Rebate	19,638	19,638
Horticulture Netting	2,960	3,780
NSW Treasury	12,352	10,256
	35,587	34,460

11. CURRENT LIABILITIES - PAYABLES

	2025 \$000	2024 \$000
Unearned Income	303	451
Personnel services payable	171	177
Creditors - Others	43,612	45,623
	44,086	46,251

Details regarding credit risk, liquidity risk, and market risk, including a maturity analysis of the above payables are disclosed in Note 19.

Recognition and Measurement

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

12. CURRENT/NON-CURRENT LIABILITIES - BORROWINGS

CURRENT		
Unsecured		
Commonwealth loan repayable	5,195	3,449
Treasury loan repayable	59,193	60,493
	64,388	63,942
NON-CURRENT		
Unsecured		
Commonwealth loan repayable	13,332	20,283
Treasury loan repayable	590,800	568,089
	604,132	588,372

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 19.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

12. CURRENT/NON-CURRENT LIABILITIES - BORROWINGS (continued)

Changes in liabilities arising from financing activities

2025	1-Jul-24	Net cash flows	30-Jun-25
	\$000	\$000	\$000
Treasury Loan Repayable			
Current	60,493	(1,300)	59,193
Non-Current	568,089	22,711	590,800
Commonwealth Loan Repayable			
Current	3,449	1,746	5,195
Non-Current	20,283	(6,951)	13,332
Total Liabilities from financing activities	652,314	16,206	668,520
2024	1-Jul-23	Net cash flows	30-Jun-24
	\$000	\$000	\$000
Treasury Loan Repayable			
Current	57,480	3,013	60,493
Non-Current	535,402	32,667	568,089
Commonwealth Loan Repayable			
Current	5,352	(1,903)	3,449
Non-Current	27,248	(6,965)	20,283
Total Liabilities from financing activities	625,482	26,832	652,314

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

13. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

CURRENT	2025 \$000	2024 \$000
Personnel Services Liabilities		
Annual leave	804	887
Long service leave	56	150
Payroll tax	26	22
Other on-costs	-	2
	886	1,061
Other Provisions		
Natural Disaster grants provision	19,811	44,558
Expected Credit Loss on Loan Commitments	922	1,615
	20,733	46,173
Total current provisions	21,619	47,234
NON-CURRENT		
Personnel services liabilities		
Long service leave	6	5
Payroll tax	3	3
	9	8
Total non-current provisions	9	8
Aggregate personnel services liabilities		
Provisions – current	886	1,061
Provisions – non-current	9	8
Personnel services payable (Note 11)	171	177
	1,066	1,246

Movement in provisions (NSW Government Grants)

Movements in NSW Government Grants provision during the financial year, are set out below:

Grants Payment	2025 \$000	2024 \$000
Balance at the beginning of the year	44,558	146,590
Additional provisions		
- Critical Producer Grant	-	1,054
- Emergency Transport Subsidies	5,991	44
- Natural Disaster Relief Grants	13,820	43,460
Amounts used	(44,558)	(146,590)
Balance at the end of the year	19,811	44,558

Movement in provisions (Expected Credit Loss on Loan Commitments)

Movements in expected credit loss on Loan Commitments provision during the financial year, are set out below:

Expected Credit Loss on Loan Commitments	2025 \$000	2024 \$000
Balance at the beginning of the year	1,615	832
Increase/(decrease) in allowance recognised in net results	(693)	783
Balance at the end of the year	922	1,615

Recognition and Measurement

Personnel services arrangement

Salaries and wages, annual leave and sick leave

Liabilities for personnel services are stated as liabilities to the service provider, the Principal Department. 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 at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

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.

Annual GSF financial statements (*continued*)**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025****13. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS (*continued*)****Recognition and Measurement (*continued*)*****Long service leave and superannuation***

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

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

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

Consequential on-costs

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

Other Provisions

The Authority establishes provisions for grant obligations that exist based on applications that have been received or approved but are yet to be paid. If the Authority expects some or all of a provision to be reimbursed, for example, a Natural Disaster Relief Grant, this reimbursement is recognised as a separate asset, but only when it is virtually certain.

14. ACCUMULATED FUNDS

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

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

15. COMMITMENTS FOR EXPENDITURE

	2025 \$000	2024 \$000
Other expenditure commitments		
Loan commitments		
The total of loan commitments does not include GST as they are financial supplies.		
(i) Commitments for the payments of Natural Disaster Loans		
Not later than one year	1,338	909
Total (excluding GST)	1,338	909
(ii) Commitments for the payments of Drought Infrastructure Fund (Farm Innovation Loans) and Seafood Industry Innovation Fund Loans		
Not later than one year	54,752	89,602
Total (excluding GST)	54,752	89,602
(iii) Commitments for the payments of Drought Assistance Fund Loans		
Not later than one year	60	270
Total (excluding GST)	60	270
(iv) Commitments for the payments of Forestry Industry Innovation Funds		
Not later than one year	–	6,610
Total (excluding GST)	–	6,610
(v) Commitments for the payments of Drought Ready and Resilient Fund		
Not later than one year	1,930	2,275
Total (excluding GST)	1,930	2,275
(vi) Commitments for the payments of Engine and Emerging Industries Loan		
Not later than one year	1,076	2,773
Total (excluding GST)	1,076	2,773

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At 30 June 2025, the Authority was aware that a contingent liability existed in relation to an ongoing Varroa Mite compensation claim that was before the NSW Courts. Following 30 June 2025, the Authority was notified of this compensation claim is expected to be paid. This payment of \$191k was made in August 2025 (2024: Nil).

The Authority did not have any contingent assets as at 30 June 2025 (2024: Nil).

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

17. BUDGET REVIEW

The budgeted amounts are drawn from the original budgeted statements presented to Parliament in respect of the reporting period. Subsequent adjustments to the original budget are not reflected in the budgeted amounts. In addition, programs considered as "Administered Items" whilst eliminated from actuals are still contained within the budget figures. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net result

The Authority's net result as at 30 June 2025 shows an unfavourable variance of \$5.2 million compared to budget. The Authority had several adjustments applied to its budget during 2024-25, increasing the total expenses excluding losses budget from \$72.0m to \$89.7m, and increasing its total revenue budget from \$74.6m to \$88.4m. These adjustments included additional grants and subsidies expenditure and revenue of \$20m related to Natural Disaster Events, while a reduction in expenditure budget was applied via the return of unspent grants and subsidies related to the Sheep and Goat eID program (\$6.1m). Additionally, the Authority received an increase in grants and subsidies expenditure via a carry forward of unspent Horticultural Netting Program funds (\$3.8m). When actuals are compared against this adjusted budget, the Authority reported a favourable net result to budget of \$3.3m, largely driven by a favourable reversal in its Expected Credit Loss provision against budget (\$3.0m favourable result to budget).

Actual total expenses excluding losses were \$1.7m favourable to budget. This was largely driven by lower interest payments remitted as expenses to Treasury due to a \$6.4m under-receipt of interest related to the Drought Ready and Resilient Fund (DRRF) product against budget. This favourable variance was largely offset by the elimination of administered item expenditure (\$4.8m) relating to Sheep & Goat eID and Varroa Mite. Actual total revenue was \$6.1m unfavourable to budget largely driven by a material under-receipt in interest payments related to the DRRF product (\$6.4m), as well as the Authority not drawing down on its residual cluster grant (\$4.7m). This was offset to an extent by the receipt of a \$5.0m interagency grant. The materiality of the under-receipts (investment revenue) and over-receipts (grants and contributions) within the total revenue categories reflects a miscategorisation of Grants and contributions revenue to investment revenue in the budget, and is not reflective of the actual variance to budget. The Authority recognised a favourable reversal of its expected credit loss provision (\$1.95m) within its other gain/ (losses) which was \$3.0m favourable to budget. This was largely driven by a lower overall probability of default charge following an actuarial review of the Authority's loan book.

Assets and liabilities

The Authority's equity position at 30 June 2025 is unfavourable to original budget by \$5.8m, largely driven by the original budget result above, as well as the Authority writing off around \$0.45m in loan assets which are yet to be removed from its loan liabilities.

Cash flows

The Authority's cash and cash equivalents position at 30 June 2025 is \$85.5m, being a \$19.4m favourable variance to budget. This variance is explained by the receipt of a \$14.0m Natural Disaster float received from the NSW Reconstruction Authority, as well as a \$5.0m interagency grant, both of which were not in the budget.

18. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES NET RESULT

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2025 \$000	2024 \$000
Net cash used on operating activities	(24,451)	72,999
Decrease / (increase) in provisions	24,921	102,091
Increase / (decrease) in receivables	(7,965)	(204,852)
Decrease / (increase) in payables	2,165	20,280
Non-cash gains / (losses)	(280)	-
Other gain / (loss)	1,951	(2,524)
Net Result	(3,659)	(12,006)

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. FINANCIAL INSTRUMENTS

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

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

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

(a) Financial instrument categories

Class;	Notes	Category	Carrying Amount	
			2025	2024
			\$000	\$000
Financial Assets				
Cash and cash equivalents	7	Amortised Cost	85,548	113,396
Receivables ¹	8	Amortised Cost	20,558	28,880
Other financial assets	9	Amortised Cost	653,555	632,980
Financial Liabilities				
Payables ²	11	Financial liabilities measured at amortised cost	43,783	45,800
Borrowings	12	Financial liabilities measured at amortised cost	668,520	652,314

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) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire, or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:

- the entity has transferred substantially all the risks and rewards of the asset; or
- the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

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

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

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risks

The Authority is exposed to liquidity, credit and market rate risk in the event its customers will be unable to meet the payment obligations when they fall due. The Authority will generally seek to renegotiate repayment terms with customers prior to default. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. FINANCIAL INSTRUMENTS (continued)

(d) Financial risks (continued)

Risk associated with the Authority's financial assets, other than receivables, is further managed through the selection of counterparties and establishment of minimum credit rating standards and is currently limited by the limited recourse nature of the Authority's loan arrangements with NSW Treasury and the Commonwealth. This risk may alter in the future depending on the final terms of any new loan facility with NSW Treasury. The Authority has no reason to believe this risk will materialise in the coming period. The Authority may have a change in exposure on loans to NSW Treasury based on potential changes in loan conditions to both the Drought Assistance Fund and the Drought Infrastructure Fund.

The Authority's exposure to risk may increase if the above requirements of NSW Treasury come into effect based on prior periods' data and current assessment of risk. The Authority has no reason to believe this risk will materialise in the coming period.

(i) Credit risk

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

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

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards and is currently limited by the limited recourse nature of the Authority's loan arrangements with NSW Treasury and the Commonwealth. This risk may alter in the future depending on the final terms of any new loan facility with NSW Treasury.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

*Accounting policy for impairment of trade receivables and other financial assets**Receivables - trade receivables*

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Authority applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery.

The loss allowance for trade receivables as at 30 June 2025 and 30 June 2024 was determined as follows:

30 June 2025							
Current	<30 Days	30-60 Days	60-90 Days	90-180 Days	180-360 Days	> 360 Days	Total
Expected credit loss rate %	0%	0%	0%	100%	0%	100%	
Estimated total gross carrying amount (\$000)	2,401	-	2	1	-	-	2,404
Expected credit loss (\$000)	-	-	-	1	-	-	1
30 June 2024							
	<30 Days	30-60 Days	60-90 Days	90-180 Days	180-360 Days	> 360 Days	Total
Expected credit loss rate %	0%	0%	0%	0%	0%	100%	
Estimated total gross carrying amount (\$000)	-	-	-	-	-	7	7
Expected credit loss (\$000)	-	-	-	-	-	7	7

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 8.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. FINANCIAL INSTRUMENTS (continued)

(d) Financial risks (continued)

(i) Credit risk (Continued)

Authority Deposits

The Authority has placed no funds on deposit with TCorp.

Other financial assets

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

The Farm Business Concessional Loans (Drought Assistance & Dairy Recovery) have a variable interest rate which is set and reviewed by the Commonwealth in accordance with the Scheme Guidelines. The current concessional interest rate for Farm Business Concessional Loans (Drought Assistance & Dairy Recovery) is 4.63% (2024: 4.46%).

The interest rate on Natural Disaster Loans is currently 3.14% (2024: 2.79%). The Farm Innovation Fund Loan is currently 2.5% (2024: 2.5%). The rates are fixed at 50% of the 10-year Bond Rate. The interest rate on Accelerated Growth Loans (administered by the Authority on behalf of Jobs for NSW Fund) is 9.20% (2024: 9.20%). NSW Fisheries adjustment loans fixed interest rate of 2.5% (2024: 2.50%) over a maximum of 12 years.

The Drought Recovery Loans have a variable interest rate which is set and reviewed by the Commonwealth in accordance with the Scheme Guidelines. The current concessional interest rate for Drought Recovery Loans is 4.23% (2024: 4.06%). The Farm Finance Concessional Loans have a variable interest rate which is set and reviewed by the Commonwealth in accordance with the Scheme Guidelines.

Drought Ready and Resilient Fund loan have a fixed interest for the term of the loan. The interest rate applied to Drought Ready and Resilient Fund loans is determined on the date at which the loan is first drawn down. The interest rates for this type of loan vary throughout the year. The rate is 4.70% for 5-year term loan and 5.40% for 10-year term at 30 June 2025.

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 (30 June 2025 \$49.2m; 2024: \$57.9m). Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any expected credit loss of receivables.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. FINANCIAL INSTRUMENTS (continued)

(d) Financial risks (continued)

(i) Credit risk (Continued)

The Authority recognises that the external environment continues to shift. With anticipation of continued susceptibility to climatic key vulnerabilities, the Authority has reviewed the forward-looking expected loss approach for the 2025 financial year.

In recognition of ongoing risk, the Authority continues to apply two overlays to the provisions under the Simplified Approach. A future looking management overlay is applied for; industry risk, forward looking term risk and a security exposure risk - these three risk uplifts are applied at the individual loan level. The second overlay is macroeconomic adjustment for uncertainty and negative outlooks affecting the Authority's customer base, including:

- Livestock market results and forecast (Medium risk - Livestock prices are expected to rise).
- Emerging biosecurity issue (Low risk - Avian Influenza and Red Imported Fire Ant remain a threat).
- Climate Change & Natural Disaster impacts (High risk - Impact of multiple natural disaster events on customers)
- Inflationary pressures (Medium risk - core inflation is returning to RBA target range).
- Labour shortages (Low risk - Horticulture industry most impacted and accounts for less than 5% of the Authority's loan portfolio).
- Tariffs and global uncertainty (High risk - imposition of US tariffs represents a threat to beef, lamb and viticulture, as well as a general threat to Australian agriculture should escalations affect Australia's trading partners).
- Underlying security and property value changes (Low risk - NSW agriculture land continues to see strong median price increases).

The Authority increased its macroeconomic adjustment to 1.00% (2024: 0.75%) to account (mainly) for the increased risk and uncertainty surrounding US (and potentially global) tariff imposition, and other economic factors. Additionally, the Authority updated its unrecoverable debt amount to \$10,000 (2024: \$5,000) to reflect its updated Debt Recovery Policy, which increased the base risk provision recognised for 2025. Following a third party actuarial review, the Authority was able to decrease the overall probability of default on its loan book, which offset the provision increases noted above and, combined with a reduction in its specifically provisioned loans, caused a favourable reversal in its overall provision balance at 30 June 2025.

The Simplified Approach has been applied through a specific provision for loans over 90 days in arrears. Disaster assistance loans account for half of the specific provision, with a large proportion of customers being affected by flooding and storm events.

The Authority maintains a provision for expected credit losses on its other financial assets at fair value through other comprehensive income in the amount of \$17.9m in 2025 (2024: \$19.1m). It maintains a provision of \$922k (2024: \$1.62m) for expected credit loss on loan commitments. These are loans approved by the authority but are yet to be drawn down by the customers.

As at 30 June 2025 expected credit loss for other financial assets is:

2025	30 June 2025 Balance	Risk Profile	Base Expected Credit Loss	Economic adjustment uplift	Forward looking adjustment	Estimated Credit Loss
Product	\$000	%	\$000	\$000	\$000	\$000
Disaster Loans						
Bushfire	8,693	1.92%	167	87	69	323
Flood	13,129	1.92%	252	131	38	421
Storm	16,272	1.92%	312	163	46	521
Small Business	11,702	1.92%	225	117	141	482
Sporting, Church & Non-Profit Organisations	350	1.92%	7	4	1	11
 Forest Indust Innov Fund Loan	21,982	0.40%	88	220	52	360
NSW Fisheries Adjustment Loan	470	0.40%	2	5	1	8
Small Medium Enterprise Loan	3,396	0.40%	14	34	4	52
Drought Ready Resilient Fund	5,021	0.40%	20	50	6	77
Drought Infrastructure Fund	562,027	0.40%	2,258	5,620	790	8,689
Drought Assistance Fund	52,193	0.40%	210	522	58	789
Drought Transport Fund Loan	28	0.40%	-	-	-	1
Seafood Innovation Fund Loan	8,875	0.87%	36	89	23	147
Business Improvement Conc Loan	3,094	0.87%	27	31	2	60
Drought Recovery Concess Loan	4,845	0.87%	42	48	6	97
Dairy Recovery Concess Loan	1,178	0.87%	10	12	1	23
Farm Business Scheme Drought	7,144	0.87%	82	71	8	142
Farm Business Scheme Dairy Rec	1,445	0.87%	13	14	1	28
Special Conservation Scheme	480	0.40%	2	5	1	7
	722,324		3,747	7,223	1,248	12,218

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. FINANCIAL INSTRUMENTS (continued)

(d) Financial risks (continued)

(i) Credit risk (Continued)

Loans specifically provisioned for at 30 June 2025:

2025	Security Type	30 June 2025 Balance	Number of Contracts	Specific Provisions
Product		\$000		\$000
Disaster Relief				
Primary Producer - Bushfire	MORTGAGE	718	3	218
Primary Producer - Bushfire	UNSECURED	378	13	378
Primary Producer - Flood	MORTGAGE	172	3	98
Primary Producer - Storm	MORTGAGE	209	3	112
Primary Producer - Storm	PPSR	40	1	40
Small Business	MORTGAGE	812	6	291
Small Business	UNSECURED	1,414	45	1,414
Forest Indust Innov Fund Loan	MORTGAGE	1,442	1	312
NSW Fisheries Adjustment Loan	PPSR	209	4	209
Drought Infrastructure Fund	CAVEAT	1,916	11	1,109
Drought Infrastructure Fund	UNSECURED	-	1	-
Drought Assistance Fund	CAVEAT	995	28	829
Drought Assistance Fund	PPSR	54	2	54
Drought Assistance Fund	UNSECURED	25	1	25
Seafood Innovation Fund Loan	PPSR	324	1	324
Farm Business Scheme Drought	MORTGAGE	745	1	173
Farm Business Scheme Dairy Rec	MORTGAGE	339	1	92
		9,792	125	5,676

As at 30 June 2025 expected credit loss for loan commitments:

2025	30 June 2025 Balance	Risk Profile	Base Expected Credit Loss	Economic adjustment uplift	Forward looking adjustment	Estimated Credit Loss
Product	\$000	%	\$000	\$000	\$000	\$000
Disaster Loans						
Storm	546	1.92%	10	5	2	17
Small Business	302	1.92%	6	3	4	12
Small Medium Enterprise Loan	1,076	0.40%	4	11	1	16
Drought Ready and Resilient Fund	1,930	0.40%	8	19	2	29
Drought Infrastructure Fund	54,244	0.40%	220	542	76	839
Drought Assistance Fund	60	0.40%	-	1	-	1
Seafood Innovation Fund Loan	508	0.40%	2	5	1	8
	58,666		250	586	86	922

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. FINANCIAL INSTRUMENTS (continued)

(d) Financial risks (continued)

(i) Credit risk (Continued)

As at 30 June 2024 expected credit loss for other financial assets is:

2024	30 June 2024 Balance	Risk Profile	Base Expected Credit Loss	Economic adjustment uplift	Forward looking adjustment	Estimated Credit Loss
Product	\$000	%	\$000	\$000	\$000	\$000
Disaster Loans						
Bushfire	11,098	1.07%	119	83	68	270
Flood	13,713	1.07%	147	103	46	296
Storm	17,579	1.07%	189	132	73	394
Small Business	16,400	1.07%	176	123	146	445
Sporting, Church & Non-Profit Organisations	443	1.07%	5	3	4	12
Forest Indust Innov Fund Loan	17,522	0.57%	100	131	57	288
NSW Fisheries Adjustment Loan	641	0.54%	3	5	2	10
Drought Ready Resilient Fund	1,992	0.54%	11	15	12	38
Drought Infrastructure Fund	492,481	0.57%	2,801	3,693	1,163	7,657
Drought Assistance Fund	78,574	0.57%	447	589	122	1,158
Drought Transport Fund Loan	56	0.57%	-	-	-	-
Seafood Innovation Fund Loan	8,768	0.57%	50	66	30	146
Business Improvement Conc. Loan	2,082	0.57%	12	16	1	29
Drought Recovery Concess. Loan	7,279	0.57%	41	55	4	100
Dairy Recovery Concession. Loan	1,484	0.57%	8	11	1	20
Farm Business Scheme Drought	7,737	0.57%	44	58	6	108
Farm Business Scheme Dairy Rec.	1,817	0.57%	11	14	1	26
Special Conservation Scheme	1,810	0.57%	10	14	3	27
	681,536		4,174	5,111	1,739	11,024

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. FINANCIAL INSTRUMENTS (continued)

(d) Financial risks (continued)

(i) Credit risk (Continued)

Loans specifically provisioned for at 30 June 2024:

2024	Security Type	30 June 2024 Balance	Number of Contracts	Specific Provisions
Product		\$000		\$000
Disaster Relief				
Bushfire	MORTGAGE	74	1	39
Bushfire	UNSECURED	467	12	467
Flood	MORTGAGE	483	15	340
Storm	MORTGAGE	379	5	196
Small Business	MORTGAGE	708	5	239
Small Business	UNSECURED	2,055	59	2,055
Forest Indust Innov Fund Loan	MORTGAGE	1,411	1	306
NSW Fisheries Adjustment Loan	PPSR	253	6	253
Drought Infrastructure Fund	CAVEAT	3,422	17	1,948
Drought Infrastructure Fund	UNSECURED	42	2	42
Drought Assistance Fund	CAVEAT	1,229	31	1,072
Drought Assistance Fund	PPSR	41	1	41
Drought Assistance Fund	UNSECURED	24	1	24
Seafood Innovation Fund Loan	PPSR	226	1	226
Business Improvement Conc Loan	MORTGAGE	2,446	4	585
Dairy Recovery Concession Loan	MORTGAGE	319	1	88
Farm Business Scheme Drought	MORTGAGE	53	1	35
Farm Business Scheme Dairy Rec	MORTGAGE	705	1	165
		14,335	164	8,121

As at 30 June 2024 expected credit loss for loan commitments:

2024	30 June 2024 Balance	Risk Profile	Base Expected Credit Loss	Economic adjustment uplift	Forward looking adjustment	Estimated Credit Loss
Product	\$000	%	\$000	\$000	\$000	\$000
Disaster Loans						
Bushfire	130	1.07%	1	1	1	3
Flood	360	1.07%	4	3	1	8
Storm	349	1.07%	4	3	1	8
Small Business	71	1.07%	1	1	1	3
Forest Indust Innov Fund Loan	6,610	0.57%	38	50	21	109
Small Medium Enterprise Loan	2,773	0.57%	16	21	7	44
Drought Ready and Resilient Fund	2,275	0.57%	13	17	14	44
Drought Infrastructure Fund	88,311	0.57%	501	661	209	1,371
Drought Assistance Fund	270	0.57%	2	2	-	4
Seafood Innovation Fund Loan	1,291	0.57%	7	10	4	21
	102,440		587	769	259	1,615

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. FINANCIAL INSTRUMENTS (continued)**(d) Financial risks (continued)****(ii) Liquidity risk**

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

	Weighted Average Effective Int. Rate	Nominal Amount ¹	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate	Variable Int. Rate	Non-interest Bearing	< 1 yrs	1 to 5 yrs	> 5 yrs
		\$000	\$000	\$000	\$000	\$000	\$000	\$000
2025								
Payables	0.0%	43,783	-	-	43,783	43,783	-	-
Borrowings:								
Advances repayable	2.3%	726,496	707,970	18,526	-	71,845	206,467	448,184
		770,279	707,970	18,526	43,783	115,628	206,467	448,184
2024								
Payables	0.0%	45,800	-	-	45,800	45,800	-	-
Borrowings:								
Advances repayable	3.0%	693,313	669,581	23,732	-	69,384	253,490	370,439
		739,113	669,581	23,732	45,800	115,184	253,490	370,439

Notes:

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

(iii) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the statements of financial position date. The analysis is performed on the same basis as for 2024. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Authority's interest-bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. 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 (based on official RBA interest rate volatility over the last five years). In the event that the new loan arrangements with NSW Treasury include a provision to alter the interest rate during the term of the loan then the Authority would potentially have a significant interest rate mismatch risk which would be beyond its capacity as a long term fixed rate lender to manage.

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

19. FINANCIAL INSTRUMENTS (continued)**(d) Financial risks (continued)****(iii) Market risk (continued)**

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

	Carrying Amount \$000	Net Result \$000 -1%	Equity \$000	Net Result \$000 +1%	Equity \$000
2025					
Financial Assets					
Cash and cash equivalents	85,548	-	-	-	-
Receivables	20,558	-	-	-	-
Other financial assets (Fixed rate)	635,028	-	-	-	-
Other financial assets (Variable rate)	18,527	(185)	(185)	185	185
Financial Liabilities					
Payables	43,783	-	-	-	-
Borrowings (Fixed rate)	649,994	-	-	-	-
Borrowings (Variable rate)	18,526	(185)	(185)	185	185
2024					
Financial Assets					
Cash and cash equivalents	113,396	(1,134)	(1,134)	1,134	1,134
Receivables	28,880	-	-	-	-
Other financial assets (Fixed rate)	609,831	-	-	-	-
Other financial assets (Variable rate)	23,732	(237)	(237)	237	237
Financial Liabilities					
Payables	45,800	-	-	-	-
Borrowings (Fixed rate)	628,582	-	-	-	-
Borrowings (Variable rate)	23,732	(237)	(237)	237	237

(e) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

20. Trust Funds

The Minister has directed the NSW Rural Assistance Authority act as the trustee for the remaining funds held from the Ovine Johne's Disease Transaction Based Contribution Scheme (OJD). The remaining funds are to be applied for the benefit of the sheep industry.

	2025	2024
	\$000	\$000
Trust funds at the beginning of the year	-	37
Add: Receipts	-	-
Less: Payments	-	(37)
Trust funds at the end of the year	-	-

21. ADMINISTERED ASSETS AND LIABILITIES

The following assets relate to the Sheep eID program administered by the Authority on behalf of the Department of Primary Industries and Regional Development.

	2025	2024
	\$000	\$000
Administered Assets		
Cash at Bank - Restricted	5,143	11,596
Total Administered Assets	5,143	11,596

Annual GSF financial statements (continued)

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

22. RELATED PARTY DISCLOSURE

During the year, the Authority expensed \$307,122 (2024: \$335,648) in respect of board members and key management personnel services that were provided by a separate management entity, Department of Primary Industries and Regional Development.

During the year, the Authority entered into transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof. The aggregate value of the material transactions and related outstanding balance with key management personnel for the year ended 30 June 2025 are as follows:

	2025 \$'000		2024 \$'000	
	Transaction value	Loan Balance	Transaction value	Loan Balance
Loans				
Disaster Relief Loan	-	-	14	-
Drought Assistance Fund	10	15	15	25
Farm Innovation Fund	42	853	96	904
	<u>52</u>	<u>868</u>	<u>125</u>	<u>929</u>
Grants				
Natural Disaster Recovery Grants	-	-	373	-
Sheep and Goat eID	-	-	30	-
	<u>-</u>	<u>-</u>	<u>403</u>	<u>-</u>

During the year, the Authority entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government. These transactions (incurred in normal course of business) in aggregate are a significant portion of the Authority's revenue and expenses, and the nature of these significant transactions are detailed below:

Entity	Nature of Transactions
The Crown	Borrowing from The Crown to assist various rural assistance programs and repayment of the same.
Crown Solicitor's Office	Provides legal services to the Authority.
Jobs for NSW	The Authority acts as loan administrator for Jobs for NSW job incentive loans. The loans are issued through the Authority.
NSW Self Insurance Corporation	Provides insurance services to the Authority.
Department of Primary Industries and Regional Development	Provision of administrative, secretarial support and operational assistance. The Authority's recurrent and capital grants are received through Department of Primary Industries and Regional Development.
NSW Reconstruction Authority	The Authority acts as grants administrator in relation to emergency assistance payments.

23. EVENTS AFTER THE REPORTING PERIOD

There are no other known events that would impact on the state of the Authority or have a material impact on the financial statements.

End of financial statements



Investment performance

The RAA did not have any investments in 2024-25.

Liability management performance

The RAA calculates and makes provisions for the Expected Credit Loss (ECL) of its loan book on a bi-annual basis. The ECL provision is designed to estimate the loan balance that will become unrecoverable over the course of the loan term. The calculation looks at the drawn and undrawn loan balances, as well as the specifically provisioned loan balance. It considers the historical rate of default, industry specific risk, maturity and security risk, and prevailing macroeconomic conditions.

The loan book balance increased by 5.33% (net loan contracts decreased by 5.02%), while the arrears balance increased by 3.09% (the number of loan contracts in arrears decreased by 6.97%) during 2024-25. The increase in arrears balance, and the decrease in the number of contracts in arrears, were broadly commensurate with the increase in the total loan balance, and a decrease in the total number of loan contracts.

At year-end, RAA management increased the previous year's forward-looking economic overlay to 1.00% (up from 0.75%) and increased the risk ratings of several tariff-exposed industries. This was offset by a decrease in the applied probability of default, following an actuarial review of the loan book. The provision booked for 2024-25 as a percentage of the total loan book (both drawn and undrawn commitments) reduced to 2.38% (down from 2.60% in 2023-24). RAA staff and management continue to engage with customers in arrears and work closely with them to understand their businesses and map a path to returning their loans to performance.

**NSW Rural Assistance Authority
Annual Report 2024-25**

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