

# NSW Rural Assistance Authority Annual Report 2016 - 2017



Department of  
Primary Industries  
Rural Assistance Authority

## **Annual report for the year ending 30 June 2017**

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This annual report summarises the activities and performance of the New South Wales Rural Assistance Authority (RAA) for 2016–17. This and earlier annual reports are available on the RAA website: [www.raa.nsw.gov.au](http://www.raa.nsw.gov.au). Copies are available on request from the RAA.

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



Our Reference: ROUT17/2705  
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The Hon. Niall Blair, MLC  
Minister for Primary Industries  
Minister for Regional Water  
Minister for Trade and Industry  
52 Martin Place  
SYDNEY NSW 2000

Dear Minister

I take pleasure in presenting, on behalf of the members of the Board the 2016-17 Annual Report for the NSW Rural Assistance Authority. This report is offered for your information and presentation to Parliament.

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

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Bullen', written over a horizontal line.

**MICHAEL BULLEN**  
**CHIEF EXECUTIVE**

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## CHAIR'S REPORT

I am pleased to provide this report on the operations of the NSW Rural Assistance Authority (the RAA) for 2016-17. During this period the RAA has continued to provide support for primary producers throughout NSW as they manage both seasonal conditions and to be able to respond to future opportunities.

During 2016-17 the RAA received over 3,626 applications and approved more than \$104.44 million across all loan, subsidy and rebate schemes.

The Farm Innovation Fund has continued to be the major focus of activity for the RAA with over 330 applications processed during the past year and \$53.99 million in assistance approved. The fund is the centrepiece of the NSW Government's 2015 Drought Strategy with \$250 million committed over five years to the scheme.

Also as part of the 2015 Drought Strategy, the Farm Business Skills Professional Development Program provides farmers with access to vocational training and farm business planning support. In the last year more than 420 applications have been approved making more than \$860,000 available to assist farmers with business, planning and risk management skills.

The Australian Government continued to provide funding for Concessional Loans including Drought, Drought Recovery and Dairy Recovery Loans and during 2016-17 introduced the Farm Business Concessional Loans scheme. Through these programs, administered by RAA, there were 30 loans applications received and over \$14.12 million approved to support farmers in NSW.

The challenges of extreme weather continue to pose difficulties for our farmers with severe storms, flooding, bushfires and hail storms causing damage to their operations. In 2016-17 there were 28 Natural Disaster declarations in NSW, including the wide spread Inland Floods, Sir Ivan Bushfire and the North Coast floods following Cyclone Debbie. As a result 105 applications for Natural Disaster Relief Assistance (NDRA) loans have been approved and more than \$10.63 million to help affected primary producers and small businesses recover from these devastating events. In addition a significant 1,973 Natural Disaster Recovery grants applications were received and over \$15.86 million in grant payments were approved in the year.

Transport Assistance was another measure which saw high volumes during 2016-17 with 221 applications and \$554,158 in assistance approved with the majority related to natural disasters.

In NSW, the *Farm Debt Mediation Act 1994* gives producers, when faced with significant issues relating to their debt, the opportunity to discuss and negotiate with their lenders before possession of property or other enforcement action is taken. The RAA continues to administer the Farm Debt Mediation Scheme and I am pleased to note that the number of mediations during the past year has again fallen, with 39 new cases in 2016-17, a reduction of 23 cases from 2015-16.

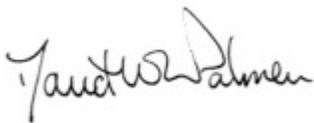
A review of the *Farm Debt Mediation Act 1994* commenced this past year including a public consultation process conducted in March and April 2017. The review aims to ensure the Act continues to deliver on its original intent and has provided an opportunity to consider the NSW act as model legislation for other states as the RAA continues to work with the Australian Government and other stakeholders towards establishment of a nationally consistent approach to farm debt mediation.

Finally, on 31 May 2016, the Minister for Primary Industries and Minister for Lands and Water, the Hon. Niall Blair MLC, announced the opening of the Commercial Fisheries Business Adjustment Program. The RAA is playing an important role in this program through the delivery of loans and grants to fishers and fishing cooperatives. During 2016-17 the RAA received 125 applications for Commercial Fisheries Business Adjustment program loans with \$6.09 million approved. A further 291 applications for grant assistance were received with \$2.32 million approved.

Additionally, I would like to acknowledge the significant work of the RAA team who completed a change process to restructure the team members to align with the type of funding. This resulted in introducing a number of new team members, farewelling some long-serving team members and delivering under significant pressure due to the high level natural disaster activity required in the year. On behalf of the Board I extend our appreciation for their services.

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

In closing, I would like to thank Barbara Clarke and Andrew Locke whose Board appointments concluded on 30 June 2017 for their work and contribution to the NSW Rural Assistance Authority Board over the past three years. I welcome Barbara Clarke back to the Board who is joined by Kerry Aaby. We have a strong and diverse Board which I look forward to working with in 2017-18.



**David Palmer**  
Chair

## ABOUT US

### Who we are

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

The RAA can trace its history back to the creation of the Farmer's Relief Board in 1932, which was charged with preventing creditors taking action against farmers on debts. In 1939 the Board became the Rural Reconstruction Board and in 1971 evolved into the Rural Assistance Board.

Eighteen years later the NSW Rural Assistance Authority came into being as a result of the *Rural Assistance Act 1989*, and operated from Sydney in its various guises until early 1997 when it relocated to Orange in central western NSW.

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

### What we do

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

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

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

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

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

### Charter

The function of the RAA as set by the 1989 legislation is to 'provide assistance, and administer programs for the provision of assistance, to farmers or other persons engaged in rural industries or any other persons eligible to obtain such assistance'.

### Vision

Making a difference by building a resilient, healthy and sustainable future for Rural NSW.

### Mission

To develop and influence policy and provide flexible and cost effective assistance programs which encourage self-reliance, facilitate appropriate change and mitigate extreme events.

## CUSTOMER SERVICE

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

### Service Delivery

The RAA recognises the importance of excellence in customer service and is committed to improving the quality of the services it offers. The RAA is sensitive to the challenges faced by rural NSW, in particular the varying availability of, and access to, internet and email services as well as services for people with a disability.

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

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

To achieve high service standards the RAA requests that clients:

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

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

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

The Director, NSW Rural Assistance Authority

OR make a formal complaint to:

Office of the NSW Ombudsman

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

## Consumer Response

As a means of gathering customer feedback the RAA invites feedback on RAA products and services on its website ([www.raa.nsw.gov.au/contact](http://www.raa.nsw.gov.au/contact)). Any feedback received by the RAA is immediately assessed to determine if further action is required. A record of all feedback received is maintained together with all responses generated.

There were two formal complaints relating to client services in 2016-17 which were resolved in line with the RAA's Complaints Handling process.

## Farm Debt Mediation

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

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

Demand for Farm Debt Mediation action from both credit providers and primary producers saw further decreases during 2016–17, with 39 new cases commenced (34 creditor-initiated and 6 farmer-initiated) and 40 cases completed, including 3 farmer-initiated matters. Agreement was reached in 90 per cent of the cases that went to mediation.

During 2016–17 the Board oversaw a routine review of the Act. The review engaged a wide range of stakeholders who provided submissions in response to a public issues paper. Amendments are expected to be debated in Parliament in 2018.

## Appeal Process

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

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

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

The Appeal is determined by a senior officer not involved in the initial decision within 30 days of receipt of the written appeal. The appeal decision is final and is advised in writing to the applicant.

During 2016-17 the RAA received 72 requests to review decisions. Of these, the original decision was confirmed in 23 cases, while 46 applications were subsequently approved. There are three appeals that were withdrawn.

## INFORMATION & EDUCATION

A commitment to providing effective information to stakeholders

### Publicity and Promotion

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

Strategies include but are not limited to:

- regularly reviewing, updating and improving the RAA website
- creation of links on the RAA website to other government sources (E.g. DroughtHub - [www.dpi.nsw.gov.au/climate-and-emergencies/drougthub](http://www.dpi.nsw.gov.au/climate-and-emergencies/drougthub)) to help clients access information on a range of assistance measures
- making available on-line and hard copy application forms, information bulletins and brochures
- participating in radio and television interviews, publishing newspaper articles and advertisements
- attending promotional events such as field days
- partnering with agencies, including the NSW Rural Financial Counselling Services (RFCS), Local Land Services (LLS) and NSW DPI to exchange information and provide improved service to clients.

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

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

### Electronic Service Delivery

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

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

During 2016-17 there were more than 73,540 visits to the RAA website.

The RAA website has been designed to comply with the NSW Government's Website Style Directive for improved accessibility and information delivery to clients, and includes *Web Content Accessibility Guidelines* (WCAG) to improve accessibility for disabled users.

## FINANCIAL ASSISTANCE

Help drive economic growth in regional NSW and mitigate the risks that impede this growth

Performance at a Glance			
Scheme	Applications Received	Applications Approved	Assistance \$
Farm Innovation Fund	357	331	53,986,906
Natural Disaster Relief Assistance - Loans	187	105	10,637,883
Natural Disaster Relief Assistance – Grants	1,973	1,138	15,866,062
C'with Drought Concessional Loans	1	4	2,992,700
C'with Drought Recovery Concessional Loans	2	4	2,348,000
C'with Dairy Recovery Concessional Loans	16	10	5,723,900
NSW Fisheries Business Adjustment Loans	125	91	6,092,000
NSW Fisheries Business Adjustment Grants	291	270	2,324,843
Farm Business Skills Grants	442	422	863,165

Please refer to Applications for Assistance Summary on Page 17 for further details of applications processed.

Loan advances provided by the RAA increased by \$46.71 million to \$335.09 million, a 16 per cent increase on the previous year. The increase was driven by the demand for both State and Commonwealth loan schemes aimed at primary producers recovering from and meeting challenges from seasonal conditions. Farm Innovation Fund balances have also increased from \$71.7 million over the past 12 months to \$122.9 million, an increase of \$51.2 million.

Total loan arrears as at 30 June 2017 was \$1.08 million, representing a 33.5 per cent (\$0.55 million) decrease over the previous twelve month period.

Total loss provisions for impaired loans have decreased over the past twelve months from \$0.686 million to \$0.332 million as at 30 June 2017. There are currently seven loans provisioned, all of which four loans have balances less than \$0.05 million (total \$0.044 million) and the remaining three loans have balances totalling \$0.288 million.

### Farm Innovation Fund

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

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

The FIF is the main assistance measure announced as part of the NSW Drought Strategy. Due to the level of demand experienced, NSW Treasury approved amendment of the funding profile for the FIF to increase the 2016-17 allocation by bringing forward \$50 million from the final years of the scheme.

During 2016-17 the RAA received 357 FIF applications with \$53.99 million in assistance approved of which 88.6 per cent (\$47.84 million) was spent for the purpose of updating farm infrastructure.

## Natural Disaster Relief Assistance

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

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

Assistance is through concessional, fixed-interest rate loans and in extreme circumstances recovery grants. Additional assistance to help with the cost of transporting stock to/from agistment, stock to sale or slaughter and fodder or water to disaster affected properties is also available following a declared natural disaster (refer to 'Transport Assistance', page 14 for further details of this measure).

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

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

- Primary Producers
- Small Business
- Non-Profit Organisations
- Sporting and Recreation Clubs

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

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

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

Natural Disaster Events		
Date of Disaster	Nature of Natural Disaster	Area Affected (Local Government Area)
29/01/2016	Thunderstorms	Bega Valley, Lismore, Palerang, Richmond Valley
18/06/2016	Storms & Floods	Bland, Coolamon, Coonamble, Lachlan, Narrandera, Narromine
20/07/2016	Storms & Floods	Bathurst, Blayney, Bogan, Brewarrina, Cabonne, Carrathool, Coonamble, Cowra, Forbes, Gilgandra, Hilltops, Lachlan, Narromine, Oberon, Orange, Parkes, Upper Lachlan, Warren
03/08/2016	# Storms	Ballina LGA - Parish of South Ballina Coffs Harbour LGA - Parishes of Bonville, Coff, Corindi, Moonee, Orara, Sherwood, Waihou, Woolgoolga Lismore LGA - Parishes of Meerschaum, Lismore, Tuckombil

Date of Disaster	Nature of Natural Disaster	Area Affected (Local Government Area)
30/08/2016	Floods	Albury, Balranald, Bathurst, Berrigan, Bland, Blayney, Bogan, Brewarrina, Cabonne, Carrathool, Cobar, Coolamon, Coonamble, Cootamundra-Gundagai, Cowra, Edward River, Federation, Forbes, Gilgandra, Greater Hume, Griffith, Hay, Hilltops, Junee, Lachlan, Leeton, Lockhart, Mid-Western, Murray River, Murrumbidgee, Narrabri, Narrandera, Narromine, Orange, Parkes, Snowy Valley, Temora, Wagga Wagga, Walgett, Warren, Warrumbungle, Weddin, Wentworth, Western Plains, Yass Valley
05/11/2016	Bushfire	Kempsey
05/11/2016	Bushfire	Tenterfield
05/11/2016	Bushfire	Cessnock, Dungog, Maitland, Mid Coast, Port Stephens
11/11/2016	# Hail Storms	Parts of: Balranald, Broken Hill, Central Darling and Wentworth LGAs and the unincorporated area (292 parishes)
11/11/2016	# Hail Storms	Parts of: Gilgandra, Lachlan, Narromine, Parkes & Warren LGAs (39 parishes)
12/11/2016	# Hail Storms	Narrabri LGA - Parishes of Dampier, Crowie, Quinn, Bohena, Blake Cooma, McIner, Tippereena
13/11/2016	Bushfire	Penrith
30/11/2016	Bushfire	Bland
30/11/2016	# Bushfire	Bland LGA - Parishes of Broilga, Mildil
13/12/2016	# Bushfire	Federation LGA - Parishes of Clear Hill, Gunambill, Wilson
13/12/2016	Bushfire	Cessnock
12/01/2017	Bushfire	Dubbo, Mid-Western Regional
17/01/2017	Bushfire	Goulburn Mulwaree, Queanbeyan-Palerang, Yass Valley
18/01/2017	Storms	Mid-Western Regional Council
18/01/2017	# Bushfire	Mid-Western Regional Council - Parish of Narragamba
18/01/2017	Bushfire	Bathurst
18/01/2017	Bushfire	Cessnock, Maitland
11/02/2017	Bushfire	Kempsey, Mid Coast, Mid-Western Regional, Narrabri, Port Macquaire-Hastings, Upper Hunter, Warrumbungle
17/02/2017	Bushfire	Queanbeyan-Palerang
17/02/2017	Storms	Ku-ring-gai, Northern Beaches, The Hills
19/02/2017	Bushfire	Singleton
12/03/2017	Storms & Floods	Bellingen, Clarence Valley, Kempsey, Lismore City, Nambucca, Richmond Valley, Sellharbour, Tenterfield, Wingecarribee, Wollongong
28/03/2017	Floods	Ballina, Byron, Clarence Valley, Kyogle, Lismore City, Richmond Valley, Tenterfield, Tweed

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

## Loans

Natural Disaster Relief Assistance (NDRA) loans are limited to the minimum amount required to cover normal farming and business activities, replace losses and make repairs not covered by insurance.

In 2016-17 the RAA received 187 NDRA applications and approved \$10.638 million in loans.

## Recovery Grants

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

During 2016-17 there were a number of significant natural disaster events including the July 2016 Inland Floods, Sir Ivan Bushfires in February 2017 and the devastating March 2017 North Coast Floods. As a result the RAA has received 1,973 Category C grant applications and approved \$15,866 million in emergency funding this financial year.

## Transport Assistance

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

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

During 2016-17 the RAA received 221 applications for Transport Assistance and approved a total of \$544,158 in subsidies.

### Natural Disaster

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

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

During 2016-17 the RAA received 196 applications for Natural Disaster Transport Assistance and approved \$407,772 in subsidies.

## Donated Fodder

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

This program forms part of the NSW Drought Strategy.

During 2016-17 the RAA received seven applications for the Transport of Donated Fodder and approved \$93,185 in assistance.

## Animal Welfare

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

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

This program forms part of the NSW Drought Strategy.

During 2016-17 the RAA received nine applications for Animal Welfare Transport Assistance and approved \$40,000 in assistance.

## Drought

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

The RAA processed nine applications for Drought Transport Assistance during 2016-17 with one application for \$3,201 approved.

## Farm Business Skills Professional Development Program

**Objective:** Skills and training

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

The FBS Program provides farm businesses with:

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

Three professional development priority areas have been identified:

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

During 2016-17 the RAA paid on 422 claims for reimbursement totalling more than \$863,000.

## Flying-Fox Netting Subsidy Program

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

The Flying-Fox Netting Subsidy Program was delivered by the RAA on behalf of the NSW Environmental Trust and the NSW Officer of the Environment and Heritage. The Program was fully subscribed on 17 March 2016 and the due date for claiming extended from 30 June 2016 to 30 June 2017.

The program was introduced in 2011 to eliminate the need to issue shooting licences to mitigate flying-fox damage to crops. The \$7.1million program resulted of 130 approved netting subsidies covering approximately 700 hectares of crops. Since 1 July 2015 licences have only been issued under special circumstances.

## Commercial Fisheries Business Adjustment Program

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

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

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

Assistance available through the RAA includes:

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

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

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

During 2016-17 the RAA received 125 applications for Commercial Fisheries Business Adjustment program loans with \$6.09 million approved. A further 291 applications for grant assistance were received with \$2.32 approved.

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

## Commonwealth Government Concessional Loans

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

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

### Drought

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

Applications for the 2016-17 round of Drought Concessional Loans opened on 3 September 2015. The funding round was originally scheduled to close on 30 June 2016, however was subsequently extended to 31 October 2016 to allow additional time for receipt of applications while negotiations were completed for funding arrangements into the future.

During 2016-17 the RAA received one application for a Drought Concessional loan for \$2.99 million which was approved.

### Drought Recovery

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

Applications for the 2016-17 round of Drought Recovery Concessional Loans opened on 3 September 2015. The funding round was originally scheduled to close on 30 June 2016, however was subsequently extended to 31 October 2016 to allow additional time for receipt of applications while negotiations were completed for funding arrangements into the future.

During 2016-17 the RAA received two applications for Drought Recovery Concessional loans with \$2.35 million in assistance approved.

### Dairy Recovery Concessional Loans

On 25 May 2016 the Commonwealth announced a Dairy Recovery Concessional Loans package to assist those farm businesses impacted by the decision of Fonterra Co-operative Group Ltd and Murray Goulburn Co-operative Co. Ltd, to reduce milk prices in the 2015-16 Financial Year.

During 2016-17 the RAA received 16 applications for Dairy Recovery Concessional loans with \$5.72 million in assistance approved.

### Farm Business Concessional Loans – Drought and Dairy Recovery Concessional Loans

Farm Business Concessional Loans were introduced in November 2016 to assist farmers to rebuild their businesses following drought and those impacted by the reduced farm gate milk prices in the 2015/16 year.

Applications for the 2016-17 round of Farm Business Concessional Loans opened on 20 February 2017.

During 2016-17 the RAA received with 11 applications and approved \$3.06 million in assistance.

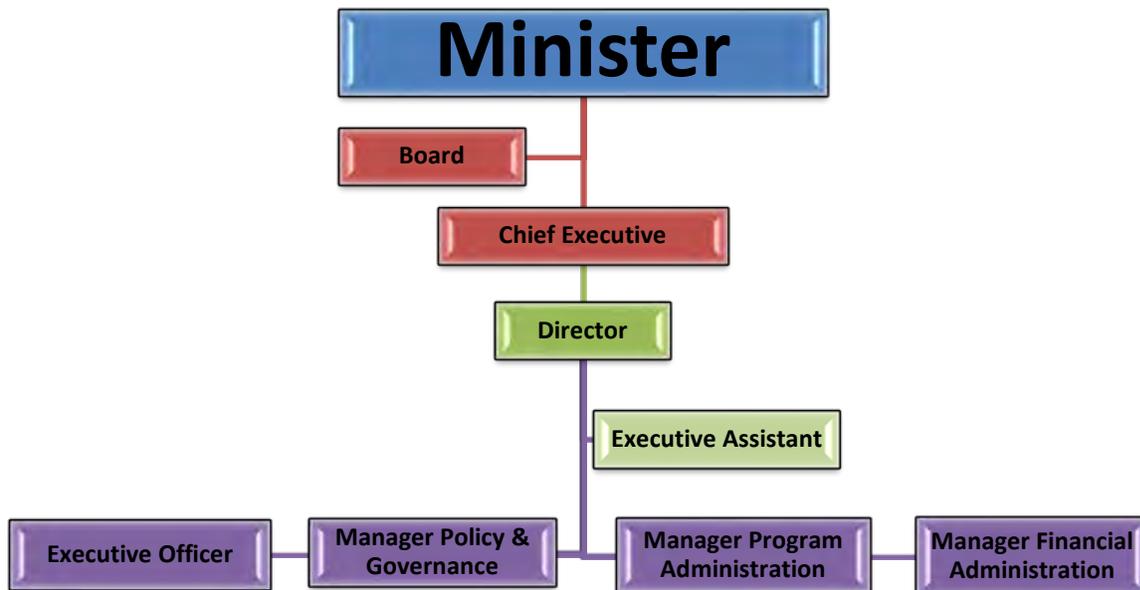
## STATISTICS ON APPLICATIONS AND APPROVALS

Applications for Assistance Summary - 2016-17							
	On Hand 1.07.16	Received (No.)	W/drawn (No.)	Declined (No.)	Approved (No.)	Approved \$	Pending 30.06.17
<b>Farm Innovation Fund Loans</b>							
Preparedness	4	32	0	4	32	4,475,400	0
Environmental	2	12	1	1	10	1,304,017	2
Infrastructure	17	311	8	15	287	47,837,489	18
Natural Resource	0	2	0	0	2	370,000	0
<b>Sub Total</b>	<b>23</b>	<b>357</b>	<b>9</b>	<b>20</b>	<b>331</b>	<b>53,986,906</b>	<b>20</b>
<b>Natural Disaster Relief Assistance - Loans</b>							
Primary Producer	2	157	1	52	98	10,078,033	8
Small Business	0	30	0	16	7	559,850	7
Non Profit	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>2</b>	<b>187</b>	<b>1</b>	<b>68</b>	<b>105</b>	<b>10,637,883</b>	<b>15</b>
<b>Natural Disaster Relief Assistance - Grants</b>							
Primary Producer	0	1,485	1	65	810	11,300,237	609
Small Business	0	466	0	9	318	4,441,073	139
Not for Profit	0	22	0	1	10	124,750	11
<b>Sub Total</b>	<b>0</b>	<b>1,973</b>	<b>1</b>	<b>75</b>	<b>1,138</b>	<b>15,866,062</b>	<b>759</b>
<b>Transport Assistance</b>							
Disaster	0	196	0	14	172	407,772	10
Drought	0	9	0	0	6	3,201	3
Animal Welfare	0	9	0	3	6	40,000	0
Donated Fodder	0	7	0	3	4	93,185	0
<b>Sub Total</b>	<b>0</b>	<b>221</b>	<b>0</b>	<b>20</b>	<b>188</b>	<b>544,158</b>	<b>13</b>
<b>Concessional Loans</b>							
Drought	4	1	1	0	4	2,992,700	0
Drought Recovery	2	2	0	0	4	2,348,000	0
Dairy Recovery	0	16	2	4	10	5,723,900	0
Farm Business Drought	0	3	0	0	2	440,500	1
Farm Business Dairy Recovery	0	8	0	2	5	2,616,000	1
<b>Sub Total</b>	<b>6</b>	<b>30</b>	<b>3</b>	<b>6</b>	<b>25</b>	<b>14,121,100</b>	<b>2</b>
<b>Commercial Fisheries Business Adjustment Program - Loans</b>							
Shareholder	4	106	10	22	78	5,205,000	0
Nominated	0	19	1	5	13	887,000	0
<b>Sub Total</b>	<b>4</b>	<b>125</b>	<b>11</b>	<b>27</b>	<b>91</b>	<b>6,092,000</b>	<b>0</b>

Applications for Assistance Summary - 2016-17							
	On Hand 1.07.16	Received (No.)	W/drawn (No.)	Declined (No.)	Approved (No.)	Approved \$	Pending 30.06.17
<b>Fisheries Business Adjustment Program - Grants</b>							
Financial Advice	1	170	1	9	151	126,592	10
Re-Training	0	1	0	0	1	7,548	0
Co-Operatives	0	1	0	0	0	0	1
Fishing Buyout	0	114	0	0	113	2,185,804	1
Purchase of Shares	0	5	0	0	5	\$4,900	0
<b>Sub Total</b>	<b>1</b>	<b>291</b>	<b>1</b>	<b>9</b>	<b>270</b>	<b>2,324,843</b>	<b>12</b>
<b>Farm Business Skills - Professional Development Program</b>							
Risk	0	63	4	1	57	73,659	1
Financial	4	228	0	2	222	277,208	8
Plan/Prepare	1	151	2	3	143	512,298	4
<b>Sub Total</b>	<b>5</b>	<b>442</b>	<b>6</b>	<b>6</b>	<b>422</b>	<b>863,165</b>	<b>13</b>
<b>GRAND TOTAL</b>	<b>41</b>	<b>3,626</b>	<b>32</b>	<b>231</b>	<b>2,570</b>	<b>104,436,117</b>	<b>834</b>

## MANAGEMENT AND STRUCTURE

### Organisation Structure



### The Board

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

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

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

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

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

## Part-time Members with Relevant Qualifications and Experience

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

Mr Palmer is a director of Animal Health Australia, Invasive Animals Cooperative Research Centre and the Greater Sydney Local Land Services. He also chairs the NSW Biosecurity Advisory Committee as NSW prepares for the introduction of the new Biosecurity Act in 2017; and is on the review panel for the 2016 Review of I-GAB (Inter Government Agreement on Biosecurity).

Appointed – 1 July 2012

Appointed as Chair – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2018

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

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

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

Appointed – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2016

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

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

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

Appointed – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2017

**Ms Diana GIBBS - BSC (Agriculture with Economics), M.Env.Stud (Environmental Economics), GAICD**, is a resource economist with extensive experience as a consultant, primarily involved with the provision of applied economic analyses such as regional development, strategic planning and project evaluation, often in the context of environmental impact assessments.

Ms Gibbs is currently Chair of Regional Development Australia (Riverina), is a Director of the Riverina Local Land Services, a member of the NSW Climate Change Council, a member of the Industry Advisory Panel for the Graham Centre at CSU, and is a member of a number of other voluntary committees.

Ms Gibbs is a partner in a mixed farming operation in the South-West Slopes region of NSW and was the recipient of the 2000 RIRDC Rural Women's Award for NSW for her involvement in the wool industry, and in particular for projects undertaken on behalf of Riverina Wool Growers P/L.

Appointed - July 2016

Term Appointed – 1 July 2016 - 30 June 2019

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

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

Appointed – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2018

**Mr Andrew LOCKE, BSc (Agriculture)**, is a co-owner and manager of a 1600ha grazing enterprise at Walcha specialising in prime lamb production. He previously had a career in commercial/agribusiness banking and finance consulting.

Mr Locke is current Chair of the Regional Assistance Advisory Council (RAAC) tasked with providing advice to the NSW Government on potential farm business, farm family and community support following climate-related downturns. He is a former member of the National Rural Advisory Council (NRAC) providing advice to the Federal Minister for Agriculture on drought policy/issues and other industry related matters. He is a graduate of the Australian Rural Leadership programme.

Mr Locke has previously been Chair of the National Steering Committee for FarmBis (DAFF) and Member and Deputy Chair of the New England / North West Area Consultative Committee.

Appointed – 1 July 2012

Term Reappointed – 1 July 2015 – 30 June 2017

## Chief Executive

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

Mr Bullen worked as a forester in Tasmania and joined the then NSW Forestry Commission in 1986. He remained with Forests NSW until 2008 when he left to lead the Sydney Catchment Authority until joining Agriculture NSW. Mr Bullen has significant executive experience in water, forestry and natural resource management.

Appointed 23 May 2012.

## Board Meetings and Attendance

During 2016–17 the Board held meetings as follows:

**19 July 2016** – Hyde Park Inn, 271 Elizabeth Street, SYDNEY

**27 – 28 September 2016** – Level 2, 161 Kite Street, ORANGE

**16 – 17 November 2016** – Level 2, 161 Kite Street, ORANGE

**20 - 21 February 2017** – Hyde Park Inn, 271 Elizabeth Street, SYDNEY

**11 May 2017** – Level 11, 323 Castlereagh Street, SYDNEY

Board Member	Meetings Eligible to Attend	Meetings Attended
Mr David Palmer	5	4
Mr Robert Brown	5	4
Mrs Barbara Clark	5	4
Ms Diana Gibbs	4	3
Mrs Markeeta Gibson	5	5
Mr Andrew Locke	5	5
Mr Michael Bullen	5	5

## Senior Officers

### **Mr Michael Bullen, BScFor, MBA, MAICD Chief Executive**

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

Mr Bullen worked as a forester in Tasmania and joined the then NSW Forestry Commission in 1986. He remained with Forests NSW until 2008 when he left to lead the Sydney Catchment Authority until joining Agriculture NSW. Mr Bullen has significant executive experience in water, forestry and natural resource management.

### **Mr John Newcombe, BSc, MAICD Director**

Mr Newcombe commenced with the RAA as Acting General Manager in October 2013 and was appointed as Director in July 2015. Prior to this he was Executive Officer for the Regional Assistance Advisory Committee (RAAC) and brings expertise in community engagement, business management and structural reform. He manages the day-to-day operations of the RAA and provides a link between the RAA Board, senior members of the public service and central government agencies.

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

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

### **Mrs Katrina Sweetapple, BSc, BE (Chem), MAICD Manager Policy and Governance**

Mrs Sweetapple joined the Authority in October 2016. Prior to this Katrina was at VERTO Ltd for nearly ten years, as the Senior Manager, Quality & Risk.

Mrs Sweetapple is responsible for leading the achievement of strategic goals for the Authority through business planning, assessment of new business and fostering strong links with key central agencies and other stakeholders. She also leads policy development and delivery, and with her team provides advice to the Authority's CEO and Board, Ministers and Department on programs, financial assistance and rural adjustment schemes. Mrs Sweetapple also manages the Board secretariat and oversees the Farm Debt Mediation Unit.

**Mr Darren Budworth**  
**Manager Financial Administration**

Mr Budworth joined the Authority in September 2016 and has over 10 years experience in the public sector holding various finance roles, including Regional Manger Finance at TAFE Western and Senior Manager Financial Services within the Department of Industry. Prior to this Mr Budworth was a Senior Manager at Ernst & Young where he specialised in corporate taxation services.

Mr Budworth is responsible for maintaining effective business systems and reporting tools for the Authority for all operations including the delivery of finance and accounting functions, financial systems and reporting requirements. He manages the Authority's staff establishment and personnel services, mitigates the Authority's risk profile by implementing tools and practices to manage fraud and business systems failure.

Mr Budworth also manages and supports the Authority's Audit & Risk Committee.

**Ms Alli Gartrell, BCom (Hons),**  
**Manager Programs Administration**

Ms Gartrell joined the Authority in September 2016. Prior to this she was a Senior Manager with ANZ, managing the Retail Branch Network in Central West NSW.

Ms Gartrell leads and manages the delivery of the Authority's program portfolio including loans, grants and other funding programs. She is also responsible for leading and developing her team to embed best practice operational tools and processes to support efficient program delivery aligned to governance and risk frameworks. Ms Gartrell works closely with her team to implement performance development frameworks to align workforce capability with the organisation's current and future priorities and objectives.

## CORPORATE SERVICES

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

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

New South Wales  
Rural Assistance Authority

Financial Statements

30 JUNE 2017



## INDEPENDENT AUDITOR'S REPORT

### New South Wales Rural Assistance Authority

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the New South Wales Rural Assistance Authority (the Authority), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under 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' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with 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 believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation 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 must assess the Authority's ability to continue as a going concern except where the Authority will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

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

My objectives are to:

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

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

A 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

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

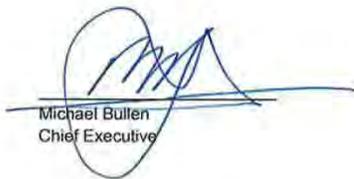
C J Giumelli  
Director, Financial Audit Services

28 September 2017  
SYDNEY

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**

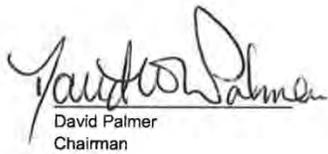
Pursuant to section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of New South Wales Rural Assistance Authority, we state that:

- (a) the accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer;
- (b) the accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of NSW Rural Assistance Authority for the year ended 30 June 2017;
- (c) at the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.



Michael Bullen  
Chief Executive

Date 26/9/17



David Palmer  
Chairman

Date 26/9/17

## Beginning of financial statements

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
<b>Expenses excluding losses</b>				
Operating expenses				
Personnel services	2(a)	3,302	-	2,356
Other operating expenses	2(b)	1,598	5,094	2,298
Depreciation and amortisation	2(c)	20	22	22
Grants and subsidies	2(d)	46,410	39,510	10,366
Finance costs	2(e)	12,013	19,995	10,347
<b>Total Expenses excluding losses</b>		<b>63,343</b>	<b>64,621</b>	<b>25,389</b>
<b>Revenue</b>				
Sales of goods and services		702	700	1,000
Investment revenue	3(a)	12,410	20,063	10,532
Grants and contributions	3(b)	31,817	23,363	14,355
Acceptance by the Crown Entity of employee benefits and other liabilities	5	119	-	219
Other revenue	3(c)	249	1,184	157
<b>Total Revenue</b>		<b>45,297</b>	<b>45,310</b>	<b>26,263</b>
Other gains / (losses)	4	118	-	(86)
<b>Net Result</b>		<b>(17,928)</b>	<b>(19,311)</b>	<b>788</b>
<b>Other comprehensive income</b>				
Total other comprehensive income		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(17,928)</b>	<b>(19,311)</b>	<b>788</b>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	7	49,198	63,312	74,872
Receivables	8	21,998	12,235	1,768
Other financial assets	9	18,852	16,929	17,997
<b>Total Current Assets</b>		<b>90,048</b>	<b>92,476</b>	<b>94,637</b>
<b>Non-Current Assets</b>				
Other financial assets	9	308,305	275,234	261,558
Plant and equipment	10	23	122	43
Intangible assets	11	2	12	2
<b>Total Non-Current Assets</b>		<b>308,330</b>	<b>275,368</b>	<b>261,601</b>
<b>Total Assets</b>		<b>398,378</b>	<b>367,844</b>	<b>356,238</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	13	41,872	10,101	11,378
Borrowings	14	39,815	56,596	49,708
Provisions	15	2,029	3,146	385
<b>Total Current Liabilities</b>		<b>83,716</b>	<b>69,843</b>	<b>61,471</b>
<b>Non-Current Liabilities</b>				
Borrowings	14	308,449	291,576	270,621
Provisions:	15	8	-	14
Other		-	12	-
<b>Total Non-Current Liabilities</b>		<b>308,457</b>	<b>291,588</b>	<b>270,635</b>
<b>Total Liabilities</b>		<b>392,173</b>	<b>361,431</b>	<b>332,106</b>
<b>Net Assets</b>		<b>6,204</b>	<b>6,413</b>	<b>24,132</b>
<b>EQUITY</b>				
Accumulated funds		6,204	6,413	24,132
<b>Total Equity</b>		<b>6,204</b>	<b>6,413</b>	<b>24,132</b>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017**

	Accumulated Funds \$000	Total \$000
Balance at 1 July 2016	24,132	24,132
Net result for the year	(17,928)	(17,928)
Total other comprehensive income	-	-
Total comprehensive income for the year	<u>(17,928)</u>	<u>(17,928)</u>
Balance at 30 June 2017	<u>6,204</u>	<u>6,204</u>
Balance at 1 July 2015	23,344	23,344
Net result for the year	788	788
Total other comprehensive income	-	-
Total comprehensive income for the year	<u>788</u>	<u>788</u>
Balance at 30 June 2016	<u>24,132</u>	<u>24,132</u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Actual 2017 \$000	Budget 2017 \$000	Actual 2016 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Personnel services		(3,384)	-	(2,390)
Grants and subsidies		(17,675)	(23,270)	(9,968)
Finance costs		(9,847)	(11,595)	(10,624)
Other		(2,187)	(21,947)	(6,174)
<b>Total Payments</b>		<b>(33,093)</b>	<b>(56,812)</b>	<b>(29,156)</b>
<b>Receipts</b>				
Sale of goods and services		700	700	-
Interest received		10,285	318	11,567
Grants and contributions		16,547	13,547	24,431
Other		118	9,444	2,131
<b>Total Receipts</b>		<b>27,650</b>	<b>24,009</b>	<b>38,129</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	19	<b>(5,443)</b>	<b>(32,803)</b>	<b>8,973</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Advance repayments received		32,005	36,605	40,781
Purchases of plant and equipment		-	(50)	11
Advances made		(79,432)	(17,001)	(120,693)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(47,428)</b>	<b>19,554</b>	<b>(79,901)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings and advances		85,737	17,000	98,123
Repayment of borrowings and advances		(58,540)	(24,090)	(93,529)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>27,197</b>	<b>(7,090)</b>	<b>4,594</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>(25,674)</b>	<b>(20,339)</b>	<b>(66,334)</b>
Opening cash and cash equivalents		74,872	83,651	141,206
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	7	<b>49,198</b>	<b>63,312</b>	<b>74,872</b>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Reporting entity**

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

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Board on the date the accompanying statement in accordance with section 41C (1B) & (1C) of the Public Finance and Audit Act 1983 was signed.

**(b) Basis of preparation**

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015* and
- the Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit and loss' and available for sale are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention except where specified otherwise.

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

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

**(c) Statement of compliance**

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

**(d) Borrowing costs**

Borrowing costs 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.

**(e) Grants and subsidies paid**

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

**(f) Insurance**

The Authority is insured as part of Department of Industry. Department of Industry's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

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

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

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

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

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

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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

**(h) Income recognition**

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

**(i) Investment Revenue**

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

**(ii) Grants and contributions**

Grants and contributions include grants from Department of Industry. Except as specified below, income from grants (other than contribution by owners) is recognised when the Authority obtains control over the contribution. The entity 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 from other bodies received in advance of the commencement of a grant program are recognised as unearned revenue. The liability is disclosed in Note 13 as part of 'Current Liabilities – Payables'.

**(i) Property, Plant and Equipment**

**(i) Acquisition of property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

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

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

**(ii) Capitalisation thresholds**

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

**(iii) Major inspection costs**

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

**(iv) Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with *AASB 13 Fair Value Measurement* and *AASB 116 Property, Plant and Equipment*.

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

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

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

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates to fair value. The Authority has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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

**(i) Property, Plant and Equipment (continued)**

(v) Impairment of property, plant and equipment

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

The Authority assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

(vi) Depreciation of property, plant and equipment

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

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

Plant and equipment useful lives range from 4 to 15 years.

Depreciation rates are reviewed and determined on an annual basis.

(vii) Maintenance

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

(viii) Leases

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

Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

(ix) Intangible assets

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

Following initial recognition intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Authority's intangible software assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

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

The useful lives of intangible assets are assessed to be finite. The Authority's intangible assets are amortised using the straight line method over a period of 10 years.

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

**(j) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Authority determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(i) Financial assets

Financial assets are classified, at initial recognition, as loans and receivables.

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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

**(j) Financial Instruments (continued)**

• **Loans and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured 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.

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

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

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

Bad debts are written off as incurred. When loan principal or interest is written off, the obligation for the Authority to repay Treasury or the Commonwealth is forgiven.

• **Impairment of financial assets**

All financial assets, except those at fair value through profit and loss, are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, the Authority first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

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

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

**(ii) Financial Liabilities**

• **Payables**

Payables represent liabilities for goods and services provided to the Authority and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

• **Borrowings**

Borrowings are financial liabilities at amortised cost. Gains or losses are recognised in the net result for the year on de-recognition of borrowings.

**(iii) Derecognition of financial assets and financial liabilities**

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

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

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.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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

**(k) Employee benefits**

**(a) Personnel services arrangement**

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

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

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

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

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

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

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

Long service leave is measured at present value in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors (specified in NSW TC 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

**(d) Consequential costs**

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

**(l) Provisions**

Provisions are recognised when: the Authority has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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

**(m) Fair value measurement and hierarchy**

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.

**(n) Equity and reserves**

**(i) Accumulated funds**

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

**(o) Budgeted amounts**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 18.

**(p) Comparative information**

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

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

The following new Australian Accounting Standards have been issued and are now effective for the first time in the financial year 2016-2017.

- AASB 1057 Application of Australian Accounting Standards
- AASB 2015-1 Annual Improvements to Australian Accounting Standards 2012-2014
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101;
- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-profit Public Sector Entities;
- AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities;
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs;

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial year ended 30 June 2017. These are listed as follows with their effective date:

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (1 July 2017)
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities (1 July 2017)
- AASB 9 Financial Instruments (1 July 2018)
- AASB 16 Leases (1 July 2019)
- AASB 15 Revenue from Contracts with Customers (1 July 2019)
- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 (1 July 2019)
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities (1 July 2019)
- AASB 1058 Income of Not-for-profit Entities (1 July 2019)

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

**AASB 15 Revenue from Contracts with Customers**

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. The Standard is expected to apply to the Authority for financial periods beginning 1 July 2019. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Consequential amendments have also been made to AASB 15 by AASB 2016-3.

AASB 1058 Income of Not-for-profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation provides additional guidance on applying the principles in AASB 15 to not-for-profit entities as well as replacing the requirements in AASB 1004 Contributions.

The application of AASB 15 and AASB 1058 may have a material impact on the Authority's revenue recognition policies. However management has not yet been able to reasonably estimate the possible future impacts of these standards.

**AASB 9 Financial Instruments**

AASB 9 will apply to the Authority for financial periods beginning 1 July 2018. The Standard includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting requirements.

AASB 9 also improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

Management has not yet completed a detailed impact assessment of this new standard and is not currently able to reasonably estimate the possible future impacts of this standard.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. EXPENSES EXCLUDING LOSSES

	2017	2016
	\$000	\$000
<b>(a) Personnel services</b>		
Salaries and wages (including recreation leave)	2,045	1,845
Redundancy Payments	817	-
Superannuation	159	181
Long service leave	113	191
Workers compensation insurance	9	5
Payroll tax and fringe benefits tax	159	134
	<b>3,302</b>	<b>2,356</b>
<b>(b) Other operating expenses include the following:</b>		
Administration fees	449	449
Advertising and promotion	48	20
Auditor's remuneration – audit of financial statements	103	95
Bad and doubtful debts	3	5
Computer software fees	2	19
Consultancy	45	100
Contractors and other fees	387	899
Insurance	-	5
Legal fees	17	4
Maintenance*	5	4
Motor vehicle expenses	15	8
Other operating	148	370
Rent	228	239
Telecommunication	8	7
Training and staff development	67	21
Travel	73	53
	<b>1,598</b>	<b>2,298</b>
<b>Maintenance Reconciliation</b>		
* Maintenance expense – contracted labour and other (non-employee related), as above	5	4
Employee related maintenance expense included in Note 2(a)	-	-
<b>Total Maintenance expenses included in Note 2(a) + 2(b)</b>	<b>5</b>	<b>4</b>
<b>(c) Depreciation and amortisation expense</b>		
Plant and equipment	20	21
Amortisation of intangible assets	-	1
	<b>20</b>	<b>22</b>
<b>(d) Grants and subsidies</b>		
Rural Financial Counsellors	-	720
Natural Disaster Relief Grants	26,179	3,193
Flying Fox Netting Subsidy	-	1,806
Drought Regional Initiatives	3,105	2,353
Dairy Industry Fund	53	100
Farm Business Skills	318	122
Fisheries Adjustment Grants	15,221	3
Grants expense on low interest loans	1,534	2,089
	<b>46,410</b>	<b>10,366</b>
<b>(e) Finance costs</b>		
Interest on Treasury advance	5,154	4,483
Interest on Commonwealth loans	4,856	3,300
Amortised interest expense	2,003	2,564
	<b>12,013</b>	<b>10,347</b>

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3. REVENUE

	2017	2016
	\$000	\$000
<b>(a) Investment revenue</b>		
Interest	1,400	185
Interest income on loans	9,007	7,783
Amortised interest revenue	2,003	2,564
	<u>12,410</u>	<u>10,532</u>
<b>(b) Grants and contributions</b>		
Transfer payment from Department of Industry	3,565	7,210
Capital Grant from Department of Industry	-	25
Grant revenue on low interest loan	1,534	2,069
Grant from Environmental Trust	-	1,528
Reimbursement for Natural Disaster Relief Grants	26,718	3,523
	<u>31,817</u>	<u>14,355</u>
<b>(c) Other revenue</b>		
Forgiveness of liabilities - Treasury	243	115
Loan and grant administration fee	6	-
Other revenue	-	42
	<u>249</u>	<u>157</u>

4. OTHER GAINS / (LOSSES)

	2017	2016
	\$000	\$000
Impairment of receivables	118	(86)
<b>Net other gains / (losses)</b>	<u>118</u>	<u>(86)</u>

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

	2017	2016
	\$000	\$000
The following liabilities and/or expenses have been assumed by the Crown Entity or other Government agencies.		
Superannuation	27	44
Long service leave	91	173
Payroll tax	1	2
	<u>119</u>	<u>219</u>

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. SERVICE GROUPS OF THE NSW RURAL ASSISTANCE AUTHORITY

Financial Assistance to Farmers and Small Business

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

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

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2017	2016
	\$000	\$000
Cash at bank and on hand	49,198	74,872
	<b>49,198</b>	<b>74,872</b>

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

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	49,198	74,872
Closing cash and cash equivalents (per statement of cash flows)	<b>49,198</b>	<b>74,872</b>

Refer to Note 12 for a list of restricted cash and their balances at 30 June 2017.

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

8. CURRENT ASSETS - RECEIVABLES

	2017	2016
	\$000	\$000
<b>CURRENT</b>		
Other debtors	19,139	-
Interest receivable - NSW Treasury	158	88
Interest receivable - on loans	1,630	1,578
Net GST	1,071	88
Personnel services	-	14
	<b>21,998</b>	<b>1,768</b>

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

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

	2017	2016
	\$000	\$000
<b>CURRENT</b>		
Advances receivable - loans to clients	19,140	18,325
Less: Allowance for impairment	(288)	(328)
	<b>18,852</b>	<b>17,997</b>
<b>NON-CURRENT</b>		
Advances receivable - loans to clients	308,349	261,914
Less: Allowance for impairment	(44)	(358)
	<b>308,305</b>	<b>261,556</b>
<b>Movement in the allowance for impairment</b>		
Balance at 1 July	686	721
Amounts written off during the year	(236)	(121)
Increase/(decrease) in allowance recognised in profit or loss	(118)	86
<b>Balance at 30 June</b>	<b>332</b>	<b>686</b>

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT

	Plant and Equipment \$000
<b>At 1 July 2016 - fair value</b>	
Gross carrying amount	134
Accumulated depreciation and impairment	<u>(91)</u>
<b>Net carrying amount</b>	<b><u>43</u></b>
<b>At 30 June 2017 - fair value</b>	
Gross carrying amount	134
Accumulated depreciation and impairment	<u>(111)</u>
<b>Net carrying amount</b>	<b><u>23</u></b>
<b>Reconciliation</b>	
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.	
<b>Year ended 30 June 2017</b>	
Net carrying amount at start of year	43
Depreciation expense	<u>(20)</u>
<b>Net carrying amount at end of year</b>	<b><u>23</u></b>
<b>At 1 July 2015 - fair value</b>	
Gross carrying amount	134
Accumulated depreciation and impairment	<u>(70)</u>
<b>Net carrying amount</b>	<b><u>64</u></b>
<b>At 30 June 2016 - fair value</b>	
Gross carrying amount	134
Accumulated depreciation and impairment	<u>(91)</u>
<b>Net carrying amount</b>	<b><u>43</u></b>
<b>Reconciliation</b>	
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:	
<b>Year ended 30 June 2016</b>	
Net carrying amount at start of year	64
Depreciation expense	<u>(21)</u>
<b>Net carrying amount at end of year</b>	<b><u>43</u></b>

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

11. INTANGIBLE ASSETS

	Total \$000
<b>At 1 July 2016 - fair value</b>	
Cost (gross carrying amount)	5
Accumulated amortisation and impairment	(3)
<b>Net Carrying amount</b>	<b>2</b>
<b>At 30 June 2017 - fair value</b>	
Cost (gross carrying amount)	5
Accumulated amortisation and impairment	(3)
<b>Net Carrying amount</b>	<b>2</b>
<b>Year ended 30 June 2017</b>	
Net carrying amount at start of year	2
Amortisation (recognised in 'depreciation and amortisation')	-
<b>Net carrying amount at end of year</b>	<b>2</b>
<b>At 1 July 2015 - fair value</b>	
Cost (gross carrying amount)	16
Accumulated amortisation and impairment	(2)
<b>Net Carrying amount</b>	<b>14</b>
<b>At 30 June 2016 - fair value</b>	
Cost (gross carrying amount)	5
Accumulated amortisation and impairment	(3)
<b>Net Carrying amount</b>	<b>2</b>
<b>Year ended 30 June 2016</b>	
Net carrying amount at start of year	14
Write back	(11)
Amortisation (recognised in 'depreciation and amortisation')	(1)
<b>Net carrying amount at end of year</b>	<b>2</b>

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

12. RESTRICTED ASSETS

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

	2017	2016
	\$000	\$000
<b>CURRENT</b>		
Commonwealth Loan Scheme	23,600	44,820
Crown	4,970	3,445
Dairy Industry Fund	763	839
Fish Buyout Scheme Funding	13,352	16,503
Flying Fox Netting subsidy	634	1,572
Jobs for NSW Fund	2,170	-
	<b>45,489</b>	<b>67,179</b>

13. CURRENT LIABILITIES - PAYABLES

	2017	2016
	\$000	\$000
<b>CURRENT</b>		
Other taxes payable	443	2
Unearned revenue	2,985	3,125
Personnel services payable	56	48
Creditors	34,096	4,122
Creditors - Treasury	4,292	3,988
Other	-	93
	<b>41,872</b>	<b>11,378</b>

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

14. CURRENT/NON-CURRENT LIABILITIES - BORROWINGS

	2017	2016
	\$000	\$000
<b>CURRENT</b>		
<b>Unsecured</b>		
Commonwealth Loan Agreement	20,675	31,383
Treasury, NSW Loan Capital	19,140	18,325
	<b>39,815</b>	<b>49,708</b>
<b>NON-CURRENT</b>		
<b>Unsecured</b>		
Commonwealth Loan Agreement	132,934	130,273
Treasury, NSW Loan Capital	175,515	140,348
	<b>308,449</b>	<b>270,621</b>

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

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

15. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

	2017	2016
	\$000	\$000
<b>CURRENT</b>		
<b>Personnel Services Liabilities</b>		
Recreation leave	179	225
Long service leave	53	86
Payroll tax	33	54
	<u>265</u>	<u>365</u>
<b>Other provisions</b>		
<b>Grant Payments:</b>		
Fisheries Adjustment Grants	-	2
Flying Fox Netting Subsidy	-	-
Natural Disaster Relief Grants	1,764	-
Drought Regional Initiatives	-	18
	<u>1,764</u>	<u>20</u>
<b>Total current provisions</b>	<u>2,029</u>	<u>385</u>
<b>Movement in provisions for grant payments:</b>		
Balance at 1 July	20	573
Additional provisions	1,764	20
Amounts used	(20)	(573)
Balance at 30 June	<u>1,764</u>	<u>20</u>
<b>NON-CURRENT</b>		
<b>Employee benefits and related on-costs</b>		
Long service leave	5	9
Payroll tax	3	5
	<u>8</u>	<u>14</u>
<b>Total non-current provisions</b>	<u>8</u>	<u>14</u>
<b>Aggregate employee benefits and related on-costs:</b>		
Provisions – current	265	365
Provisions – non-current	8	14
Personnel services payable	56	48
	<u>329</u>	<u>427</u>

16. COMMITMENTS FOR EXPENDITURE

	2017	2016
	\$000	\$000
<b>(a) Other expenditure commitments</b>		
<b>(i) Loan commitments</b>		
<b>(i) Commitments for the payments of Special Conservation Scheme and Natural Disaster Loans</b>		
Not later than one year	6,672	101
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (excluding GST)</b>	<u>6,672</u>	<u>101</u>
The total of loan commitments does not include GST as they are financial supplies.		
<b>(ii) Commitments for the payments of Commonwealth Farm Finance and Drought Concession Loans</b>		
Not later than one year	3,732	8,708
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (excluding GST)</b>	<u>3,732</u>	<u>8,708</u>
The total of loan commitments does not include GST as they are financial supplies.		
<b>(iii) Commitments for the payments of Farm Innovation Loans</b>		
Not later than one year	43,689	49,520
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (excluding GST)</b>	<u>43,689</u>	<u>49,520</u>
The total of loan commitments does not include GST as they are financial supplies.		

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

16. COMMITMENTS FOR EXPENDITURE (continued)

	2017	2016
	\$000	\$000
(iv) Commitments for the payments of NSW Fisheries Adjustment Loan		
Not later than one year	5,365	80
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total (excluding GST)</b>	<b>5,365</b>	<b>80</b>
The total of loan commitments does not include GST as they are financial supplies.		
(ii) Partnership Agreement - Department of Industry		
Not later than one year	512	123
Later than one year and not later than five years	1,023	-
Later than five years	-	-
<b>Total (including GST)</b>	<b>1,535</b>	<b>123</b>

The total Partnership Agreement above includes tax credits of \$139,500 (2016: \$11,215). 66% of the GST is not recoverable (2017: \$92,070; 2016: \$7,402).

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

(b) Operating lease commitments

Aggregate operating expenditure contracted for at balance date but not provided for in accounts payable:

(i) Office rent		
Not later than one year	308	60
Later than one year and not later than five years	616	-
Later than five years	-	-
<b>Total (including GST)</b>	<b>924</b>	<b>60</b>

The total of office rent above includes input tax credits of \$94,000 (2016: \$5,472). 66% is not recoverable (2017: \$55,440; 2016: \$3,612). Under the lease agreement the Authority is required to provide 3 month notice to terminate the agreement.

17. CONTINGENT LIABILITIES

Grants for North Coast Floods March/April 2009 (expended \$4.244 million on a funding cap of \$3.5 million). NSW Rural Assistance Authority has recouped the overspend amount from NSW Treasury however NSW Treasury have confirmed that they will not claim the overspend amount from the Commonwealth. NSW Treasury are yet to confirm that the NSW Rural Assistance Authority is not required to repay the overspend amount.

18. BUDGET REVIEW

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

**Net result**

The net result was \$1.383 million favourable to budget or 7% favourable. This favourability was due mainly to the slow take up of grants, in particular the Farm Business Skills program. Cluster grants were down on budget due to Treasury Cash Reforms which is reflective in reduced cash balances.

Overestimated budget estimates of amortised interest resulted in significant variances of actual Finance Costs and Investment Income when compared to their budgets. This will be rectified in the forward years budget.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**Assets and liabilities**

The total equity was \$209,000 unfavourable to budget which is less than a 3% variance.

The Authorities assets position increased by \$42.1 million for the year, being a combination of an increase in loans provided (\$47.6 million) and Receivable (\$14.5 million) offset by reduced cash holdings. This increase is in line with the profile spend of the NSW Governments Farm Innovation Fund loan being \$250 million over five years. This increase in loan values was offset by the Authorities cash position which was reduced by \$25.6 million for the year as a result of a reduction in Commonwealth loan funds held (\$21.2 million) and reduced operating cash holding as a result of the NSW Treasury cash reforms initiatives. The increase in receivables is due to recognise funding which is virtually certain to be received for payments of natural disaster expenditure incurred.

The Authorities liabilities increased \$60.0 million for the year which was due the overall value of loans provided increasing \$27.9 million. Trade Creditors increased by \$30.5 million, due to subsidies owed to Commercial Fisheries and payments of natural disaster expenditure incurred as at balance date.

It should be noted the overall increase in loan liabilities was reduced relative to the loan assets due to the return of \$21.2 million of Commonwealth funds held.

**Cash flows**

The net cash flow from operating activities was \$27.36 million favourable to budget due to payments for Commercial Fisheries Adjustment grants not being paid out in full (\$12.86 million) and lower than budgeted expenditure on Drought Regional Initiative programs (\$10.40 million).

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

	2017	2016
	\$000	\$000
<b>Net cash used on operating activities</b>	<b>(5,443)</b>	<b>8,973</b>
Depreciation and amortisation	(20)	(22)
Non-Cash finance costs against loan assets	141	-
Non-cash debtor movements against borrowings	(803)	-
Decrease / (increase) in provisions	(1,657)	546
Increase / (decrease) in receivables	20,230	(10,466)
Decrease / (increase) in creditors	(30,494)	1,843
Other gain / (loss)	118	(86)
<b>Net Result</b>	<b>(17,928)</b>	<b>788</b>

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**20. FINANCIAL INSTRUMENTS**

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

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

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

**(a) Financial Instrument Categories**

<b>Financial Assets</b>	<b>Notes</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
<b>Class:</b>			<b>2017</b>	<b>2016</b>
			<b>\$000</b>	<b>\$000</b>
Cash and cash equivalents	7	N/A	49,198	74,872
Receivables <sup>1</sup>	8	Loans and receivables (at amortised cost)	20,927	1,680
Other financial assets	9	Loans and receivables (at amortised cost)	327,157	279,553
<b>Financial Liabilities</b>	<b>Notes</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
<b>Class:</b>			<b>2017</b>	<b>2016</b>
			<b>\$000</b>	<b>\$000</b>
Payables <sup>2</sup>	13	Financial liabilities measured at amortised cost	38,444	8,251
Borrowings	14	Financial liabilities measured at amortised cost	348,264	320,329

**Notes**

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

**(b) Credit Risk**

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

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

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

**Cash**

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

**Other financial assets**

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

The Farm Finance Concessional Loans have a variable interest rate which is set and reviewed by the Commonwealth in accordance with the Scheme Guidelines. The current concessional interest rate for Farm Finance Concessional Loans is 3.03%.

The interest rate on Natural Disaster Loans is currently 1.16%. The Farm Innovation Fund Loan is currently 2.50%. The rates are fixed at 50% of the 10-year Bond Rate for 1 year. The interest rate on Accelerated Growth Loans (administered by RAA on behalf of Jobs for NSW Fund) is 9.2%. NSW Fisheries adjustment loans: fixed interest rate of 2.5% over a maximum of 12 years.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**20. FINANCIAL INSTRUMENTS (continued)**

*Other financial assets (continued)*

The Drought Concessional Loans have a variable interest rate which is set and reviewed by the Commonwealth in accordance with the Scheme Guidelines. The current concessional interest rate for Drought Concessional Loans is 2.53%.

The Drought Recovery Loans have a variable interest rate which is set and reviewed by the Commonwealth in accordance with the Scheme Guidelines. The current concessional interest rate for Drought Recovery Loans is 2.07%.

The Farm Finance Concessional Loans have a variable interest rate which is set and reviewed by the Commonwealth in accordance with the Scheme Guidelines. The current concessional interest rate for Drought Recovery Loans is 3.03%.

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 2.47%.

The Drought Concessional Loans have a variable interest rate which is set and reviewed by the Commonwealth in accordance with the Scheme Guidelines. The current concessional interest rate for Drought Concessional Loans is 2.53%.

Farm Innovation Fund loans may be drawn down over a period, generally 12 months, and are recognised at fair value, usually based on the transaction cost or face value until fully determined (2017: \$57,546m; 2016: \$49,520m). Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

The Authority is not materially exposed to concentration of credit risk to a single loan debtor or group of loan debtors. Based on past experience, debtors that are not past due and not impaired (2017: \$318,365m; 2016: \$286,476m) and past due but not considered impaired (2017: \$0.879m; 2016: \$1,328m). Together, these represent 99.9% (2016: 99.9%) of the total loan debtors

	Total <sup>1,2</sup> \$000	Past due but not impaired <sup>1,2</sup> \$000	Considered impaired <sup>1,2</sup> \$000
<b>2017</b>			
<3 months overdue	196	196	-
3 months - 6 months overdue	46	46	-
> 6 months overdue	969	637	332
<b>2016</b>			
<3 months overdue	155	155	-
3 months - 6 months overdue	169	169	-
> 6 months overdue	1,302	1,004	298

**Notes**

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

*Authority Deposits*

The Authority has placed no funds on deposit with TCorp.

*Other Facilities*

The Authority has access to the following banking facilities:

	2017 \$000	2016 \$000
MasterCard Limit	25	25

The Authority has an annual loan drawdown facility of \$30m (2016: \$50m) with NSW Treasury based on application approvals

**(c) Liquidity risk**

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

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

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

20. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity risk (continued)

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which the invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 0% (2016: 0%).

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

	Weighted Average Effective Int. Rate	Nominal Amount <sup>1</sup> \$000	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$000	Variable Int. Rate \$000	Non-interest Bearing \$000	< 1 yrs	1 - 5 yrs	> 5 yrs
<b>2017</b>								
Payables	0.0%	38,444	-	-	38,444	38,444	-	-
<i>Borrowings:</i>								
Advances repayable	3.0%	348,450	203,246	145,204	-	28,028	222,710	97,713
		<b>386,894</b>	<b>203,246</b>	<b>145,204</b>	<b>38,444</b>	<b>66,472</b>	<b>222,710</b>	<b>97,713</b>
<b>2016</b>								
Payables	0.0%	8,251	-	-	8,251	8,251	-	-
<i>Borrowings:</i>								
Advances repayable	3.00%	302,531	164,959	137,572	-	26,634	213,263	62,634
		<b>310,782</b>	<b>164,959</b>	<b>137,572</b>	<b>8,251</b>	<b>34,885</b>	<b>213,263</b>	<b>62,634</b>

Notes:

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

(d) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the statements of financial position date. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

*Interest rate risk*

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

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

20. FINANCIAL INSTRUMENTS (continued)

(d) Market risk (continued)

Interest rate risk (continued)

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

	Carrying Amount \$000	Net Result \$000	Equity \$000	Net Result \$000	Equity \$000
		-1%		+1%	
<b>2017</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	49,198	(492)	(492)	492	492
Receivables	20,927	-	-	-	-
Other financial assets (Fixed rate)	194,165	-	-	-	-
Other financial assets (Variable rate)	132,992	(1,330)	(1,330)	1,330	1,330
<b>Financial Liabilities</b>					
Payables	38,444	-	-	-	-
Borrowings (Fixed rate)	194,695	-	-	-	-
Borrowings (Variable rate)	153,569	(1,536)	(1,536)	1,536	1,536
<b>2016</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	74,872	(749)	(749)	749	749
Receivables	1,680	-	-	-	-
Other financial assets (Fixed rate)	157,928	-	-	-	-
Other financial assets (Variable rate)	121,566	(1,216)	(1,216)	1,216	1,216
<b>Financial Liabilities</b>					
Payables	8,251	-	-	-	-
Borrowings (Fixed rate)	156,090	-	-	-	-
Borrowings (Variable rate)	164,239	(1,642)	(1,642)	1,642	1,642

(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.

**NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**21. RELATED PARTY DISCLOSURE**

During the year, the Authority expensed \$71,703 in respect of the key management personnel services that were provided by a separate management entity, Department of Industry. Of the \$71,703 expensed \$2,476 was provided in-kind.

In addition, the Authority's directly incurred key management personnel compensation are as follows:

	<b>2017</b>
	<b>\$000</b>
Short-term employee benefits	
Salaries	21
	<u>21</u>

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 2017 are as follows:

Nature of transaction	Transaction	Loan
	value	Balance
	\$000	\$000
Loans - Farm Innovation Fund	4	231
Loans - Special Conservation Fund	5	35
	<u>9</u>	<u>266</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
Audit Office of NSW	Provides independent audit services on Authority's financial statements.
Crown Finance Entity	Borrowing from Crown Finance Entity to assist various rural assistance programs and repayment of the same.
Department of Industry	Provision of administrative, secretarial support and operational assistance. In addition the Authority's re-current and capital grants also received through Department of Industry.
Department of Industry - Jobs for NSW Fund	The Authority act as Loan Administrator for Jobs for NSW Fund's job incentive loans and the loans are issued through the Authority.
NSW Self Insurance Corporation	Provides insurance services to the Authority.
NSW Department of Justice	The Authority act as grants administrator in relation to emergency assistance payments.

**22. EVENTS AFTER THE REPORTING PERIOD**

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

**End of financial statements**

## APPENDICES

1. Legislation
2. Budget initiatives: 2017-18
3. Risk management and insurance
4. Consultants
5. Credit card certification
6. Resource efficiency
7. Payment performance
8. Records and information management
9. Public interest disclosures
10. Release of government information
11. Ombudsman
12. Privacy management
13. Work health and safety
14. Human resources
15. Workforce diversity
16. Disability inclusion
17. Multicultural planning

## 1. Legislation

### State

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

### Commonwealth

The RAA is also responsible for the administration of Australian Government funded assistance.

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

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

## 2. Budget Initiatives: 2016–17

The following chart highlights expected Financial Indicators for the 2017-18 financial year.

Financial Indicators	2017-18 Budget \$000
Total Expenses excluding Losses	42,512
Total expenses include the following	
Other operating expenses	5,145
Depreciation and amortisation	9
Grants and subsidies	16,063
Finance costs	21,295
Capital Expenditure	50

### Total expenses

The RAA's total expenses for 2017-18 are budgeted at \$42.512 million.

The following are provided for in the 2017-18 budget:

- \$65 million for concessional loans under the Farm Innovation Fund to assist primary producers to prepare for future droughts
- \$5 million for the Drought Regional Initiatives Program which includes scholarships for farmers to undertake vocational training and farm business planning to prepare for future droughts; Yong Farmers Business Program and Transport of Donated Fodder and the Transport Subsidy for Animal Welfare.

### Capital expenditure

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

### 3. Risk Management and Insurance

#### Internal Audit and Risk Management Attestation for the 2016-2017 Financial Year for the NSW Rural Assistance Authority

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

#### Core Requirements

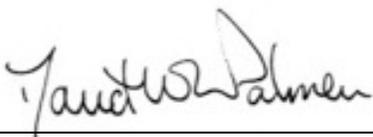
<b>Risk Management Framework</b>		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	<b>Compliant</b>
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO31000:2009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

#### Membership

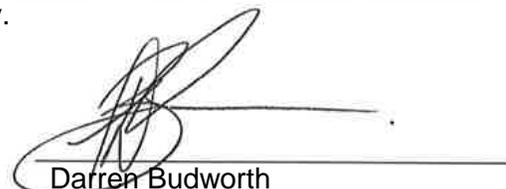
The chair and members of the Audit and Risk Committee are:

- Chair, Mrs Barbara Clark (appointment term – 1 July 2016 to 30 June 2017);
- Independent Member, Mrs Markeeta Gibson (appointment term – 1 July 2016 to 30 June 2017);
- Independent Member, Mr Andrew Locke (appointment term– 1 July 2016 to 30 June 2017);

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



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



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

### Significant improvements in internal control

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

Staff complete training in work health and safety, the code of conduct, fraud awareness, investigating fraud and corruption on a regular basis in key work areas.

Fraud risk assessments were conducted.

### Business Continuity

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

### Disaster Recovery

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

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

### Digital Information Security

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

Please refer to the consolidated Annual Report for NSW Department of Industry for details of the Digital Information Security Annual Attestation Statement.

### Insurance

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

The RAA's 2016–17 Workers' Compensation premium is included in the NSW Department of Industry Cluster premium due to NSW Rural Assistance Authority staff being employed by the Lead Cluster agency.

There were no worker's compensation claims received in 2016-17.

## Safety Inspections

Workplace inspections required under the *Work Health and Safety Act 2011* were conducted by Health Safety Representatives on a regular basis during 2016–17.

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

## 4. Consultants

Eight contractors were engaged by the RAA in 2016-17 for a total cost of \$315,808. Given the number of Natural Disaster events and the scope of these, the Authority was required to double the level of contractors during the year.

No consultants were engaged for more than \$50,000.

One consultant was engaged for Management Services at a total cost of \$44,700.

## 5. Credit Card Certification

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

## 6. Resource Efficiency

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

The GREP will ensure that NSW Government agencies:

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

## 7. Payment Performance

Accounts paid on time within each quarter				
Measure	September	December	March	June
<b>All Suppliers</b>				
Number of accounts due for payment	223	179	170	171
Number of accounts paid on time	227	172	165	160
Actual percentage of accounts paid on time (based on number of accounts)	<b>97.4%</b>	<b>96.1%</b>	<b>97.1%</b>	<b>93.6%</b>
Dollar amount of accounts for payment	\$12,288,697	\$11,578,271	\$32,644,178	\$13,661,002
Dollar amount of accounts paid on time	\$12,285,165	\$11,534,502	\$32,603,211	\$12,530,324
Actual percentage of accounts paid on time (based on \$)	<b>100.0%</b>	<b>99.6%</b>	<b>99.9%</b>	<b>91.7%</b>

Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0
<b>Small Business Suppliers</b>				
Measure	September	December	March	June
Number of accounts due for payment	0	0	0	2
Number of accounts paid on time	0	0	0	2
Actual percentage of accounts paid on time (based on number of accounts)	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>
Dollar amount of accounts for payment	\$0	\$0	\$0	\$9,084
Dollar amount of accounts paid on time	\$0	\$0	\$0	\$9,084
Actual percentage of accounts paid on time (based on \$)	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0

Aged analysis at the end of each quarter					
Quarter	Current (within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	More than 90 days overdue
	\$	\$	\$	\$	\$
<b>All Suppliers</b>					
September	12,285,165	2,141			1,391
December	11,534,502	43,769			
March	32,603,211	30,396		10,570	
June	12,530,324	1,130,679			
<b>Small Business Suppliers</b>					
September					
December					
March					
June	9,084				

### Commentary on Payment Performance

- Percentages of payments paid on time were in line with the RAA's target percentage.
- There were no instances of penalty interest paid or incurred during 2016-17.
- The terms of payment on suppliers are reviewed to ensure that sufficient and reasonable time is afforded the RAA for payment.
- Small Business suppliers have been determined from those businesses which have identified as being a small business under Department of Premiers and Cabinet guidelines.

## 8. Records and Information Management

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

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

During 2016-17 the RAA began conversion of physical (paper) client files to digital records in compliance with the *Standard on Records Management* which was issued by State Records on 2 March 2015.

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

As files are converted to digital records all new documentation received or generated by the RAA is also saved to the EDRMS. This includes applications for assistance together with supporting documentation.

## 9. Public Interest Disclosure

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

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

## 10. Release of Government Information

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

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

### Applications

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

## 11. Ombudsman

The RAA did not receive any enquiries from the NSW Ombudsman during 2016–17 in relation to schemes administered.

## 12. Privacy Management

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

## 13. Work Health and Safety

The RAA is committed to providing a safe and supportive working environment. The RAA no longer maintains a separate Work Health and Safety (WHS) Committee with an RAA representative participating in the NSW Department of Industry Head Office Building WHS Committee.

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

Health and Safety Representatives (HSRs) work closely with and report any incidents to RAA management. During 2016-17 there were two WHS issues reported.

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

## 14. Human Resources

Following the introduction of the *Government Sector Employment Act 2013*, *Government Sector Regulation 2014* and *Government Sector Rules 2014* RAA staff are employed by the NSW Department of Industry.

Staff numbers				
Category	2014	2015	2016	2017
Senior Executive				
Band 1	1	1	1	1
Number filled by Women	0	0	0	0
Administrative and Clerical				
Assessment Staff	9	8	7	9
Legal	2	2	2	2
Finance, Administration and Other	10	9	9	12
<b>TOTAL</b>	<b>22</b>	<b>20</b>	<b>19</b>	<b>24</b>

During the year, the Authority undertook a change plan and as such FTE numbers as at 30 June 2017 were higher due to staff converting from contractors to employment arrangements. In addition, three staff finished employment with the Authority in July and these positions were not retained under the change management plan. The true FTE figure for the authority is now at 21.

Representation of workforce diversity target groups within levels									
Remuneration Level of Substantive Position	2014/15			2015/16			2016/17		
	Total Staff	Female	Nesb <sup>(1)</sup>	Total Staff	Female	Nesb <sup>(1)</sup>	Total Staff	Female	Nesb <sup>(1)</sup>
\$0 - \$44,683	0	0	0	0	0	0	0	0	0
\$44,683 - \$58,687	2	1	1	2	2	1	0	0	0
\$58,687 - \$63,801	2	1	0	2	2	0	1	1	0
\$63,801 - \$79,891	8	6	0	7	5	1	8	3	0
\$79,891 - \$110,560	4	2	1	4	1	0	8	6	1
\$110,560 - \$134,202	3	2	0	3	2	0	5	5	0
\$134,202 > (Non SE)	0	0	0	0	0	0	1	0	0
\$134,202 > (SE)	1	0	0	1	0	0	1	0	0
<b>Total</b>	<b>20</b>	<b>12</b>	<b>2</b>	<b>19</b>	<b>12</b>	<b>2</b>	<b>24</b>	<b>15</b>	<b>1</b>

1. Non-English speaking background

## Staff Education and Training

Assessment of training requirements continued in 2016-17 through consultation and needs analysis.

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

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

## Staff Induction

Staff induction is provided using the Staff Induction Manual. Through induction, all new staff members are advised of their conditions of employment and the policies operating within the RAA. They also learn how and where to get advice and support when needed, particularly in the areas of grievance procedures, public interest disclosure, equal employment opportunity and work health and safety. With the change plan implementation this year, a specific induction program was conducted for the whole team (new and existing) to ensure all team members were up-to-date and had the latest information.

## Industrial Relations

Consultation on industrial relations issues is through the Joint Consultative Committee.

There were no significant industrial relations issues during the year.

## Flexible Working Arrangements

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

## 15. Workforce Diversity

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

### Trends in the representation of workforce diversity groups

Workforce Diversity Group	Benchmark/Target	% of Total Staff			
		2014	2015	2016	2017
Women	50%	59.1	60	63.1	62.5
Aboriginal people and Torres Strait Islanders	2.60%	0	0	0	0
People whose first language was not English	19%	9.1	10	10.5	4.2
People with a disability	N/A	0	0	0	0
People with a disability requiring work related adjustment	1.50%	0	0	0	0

### Trends in the distribution of workforce diversity groups

Distribution Index					
EEO Group	Benchmark or Target	2014	2015	2016	2017
Women	100	n/a	n/a	n/a	n/a
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	n/a	n/a	n/a	n/a
People with a disability	100	n/a	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

#### Notes:

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

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

	2014/15			2015/16			2016/17		
	Total Staff	Aboriginal People	PWPD*	Total Staff	Aboriginal People	PWPD*	Total Staff	Aboriginal People	PWPD*
Total employees	20	0	0	19	0	0	24	0	0
Recruited in the year	0	0	0	1	0	0	16	0	0

## 16. Disability Inclusion

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

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

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

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

## 17. Multicultural Planning

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

As part of the NSW Department of Industry departmental cluster the RAA has been included in the department's multicultural plan and as such reports activity through the Department of Industry Annual Report.

**ABBREVIATIONS**

BAP	Commercial Fisheries Business Adjustment Program
DADHC	NSW Department of Ageing, Disability and Home Care
DAFF	Department of Agriculture, Fisheries and Forestry
EEO	Equal Employment Opportunity
EDRMS	Electronic Document Records Management System
FBS Program	Farm Business Skills Professional Development Program
FIF	Farm Innovation Fund
GIPA	Government Information Public Access
GREP	NSW Government Resource Efficiency Policy
LGA	Local Government Area
LLS	Local Land Services
NDRA	Natural Disaster Relief Assistance
NDRRA	Natural Disaster Relief and Recovery Arrangements
NSW DPI	NSW Department of Primary Industries
NSW Department of Industry	NSW Department of Industry, Skills and Regional Development
OEH	NSW Office of Environment and Heritage
PWPD	People with a physical disability
RAA	NSW Rural Assistance Authority
RAAC	Regional Assistance Advisory Committee
RFCS	Rural Financial Counselling Service
State Records	State Records Authority of NSW
WHS	Work Health and Safety

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Rural Assistance Authority