



Tamworth Regional Development Corporation

MAKING IT HAPPEN

Annual Report 2006-07

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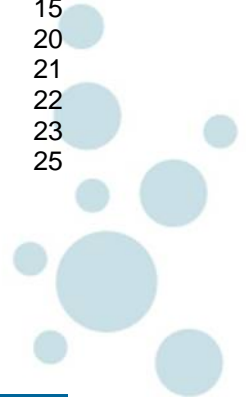


STEPHEN A. MAHER
& CO.
CHARTERED ACCOUNTANT

The Northern Daily
LEADER
That's news to me!

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Chairman & Executive Director's Report on Operations

It is with great pleasure that we present our Report on Operations for 2006-07. Tamworth Regional Development Corporation (TRDC) introduced a new tag line in 2006 of 'Making it Happen'. We are pleased to report that TRDC has indeed been 'making it happen' on numerous fronts over the past financial year.

TRDC's three year strategic plan identifies the following four **strategic themes**:

- Deliver client value.
- Leverage regional expertise.
- Improve operational efficiency.
- Deliver stakeholder value.

From these strategic themes, five **business priorities** are targeted:

- Skills transfer – to facilitate the transfer of business management expertise, particularly in the area of staff attraction, retention, and development, to assist businesses to meet the emerging challenges of the global skills shortage.
- Business transfers – to facilitate the transfer of existing businesses or franchise opportunities to new operators.
- The aviation industry – to assess the opportunities and threats for the region given its natural asset (globally competitive flying conditions) and existing aviation industry cluster, and develop a strategic plan.
- The equine industry – to assess the opportunities and threats for the region in the wake of the completion of the Australian Equine and Livestock Centre and develop a strategic plan.
- Improve the efficiency and effectiveness of activities which promote the Tamworth Region as a place to live, work and play.

Some of the major achievements delivered by TRDC in 2006-07 to deliver on these business priorities include:

- Development of a Regional Employment Strategy to address the skills shortage issue. The strategy has attracted considerable government interest, resulting in some \$300,000 of funding currently being negotiated with TRDC to support the strategy's implementation over the period 2007-09. The strategy's objectives include:
 - To facilitate and coordinate regional efforts to more successfully attract, retain and develop the pool of skills available to the business community.
 - To increase awareness and acceptance in the business and general community about the need to proactively attract, retain and develop skills.
 - To facilitate and coordinate the transfer of skills to the business community to equip them to better attract, retain and develop a diverse workforce.
 - To increase the employability of regional job applicants by matching business and individual training requirements with appropriate training providers.
 - To proactively promote the availability of regional employment and career opportunities.
 - To identify existing services and resources within the community so as to develop a collaborative network to assist in achieving the objectives of the committee.
- The development and planning of the 'Inspired Business Lecture Series' to raise awareness of key management issues, most notably topics such as skills shortages and succession planning, through high profile keynote speaker presentations.
- Building on TRDC's Regional Employment Strategy, a strategic alliance has been formed with Meat and



Livestock Australia (MLA) to pilot a program where trainees will be rotated through the meat industry supply chain.

- Initiated discussion with all media outlets in the region to explore establishing Tamworth as a Centre of Excellence in Media Training. Initial discussions have been held with senior management within the ABC Radio Network and TRDC has been invited to present its concept to the industry association Commercial Radios Australia.
- Key involvement in the Aboriginal Job Compact being developed by the Department of Aboriginal Affairs assisting the Tamworth job compact to be the most advanced and detailed program of the 12 compacts currently underway in NSW. As a result of this involvement, TRDC is currently negotiating a pool of funding to enable a project officer to continue the project on completion of the pilot program.
- Involvement in the Department of Education's Tamworth Learning 2020 project as a member of the advisory panel overseeing the establishment of two deliberative forums. TRDC also provided research and analysis to the project.
- Participation in Country Week 2006 both in planning and manning the exhibition stand. The Tamworth Region display was awarded the prize for the premier stand for a large regional centre.
- Development of a promotional document distributed through Country Week, motels, real estate agents and Tourism Tamworth. The document has also been used by recruitment and other agencies to highlight the benefits of living in Tamworth to candidates in a range of fields including hospitality and health.
- The commissioning and completion of a series of focus groups with residents new to the Tamworth Region. The focus groups provided significant insight into why people choose the Tamworth region and the quality of their transitional experience. The research sought to identify what information would assist new and potential new residents and provided significant insight for the development of information materials.
- The new resident research specifically identified the challenge for new residents to break into existing social networks. As a result of this, TRDC held an inaugural New Residents Network Night in late May 2007, attracting some 100 people to the event. TRDC is now negotiating with Tamworth Regional Council (TRC) to develop an ongoing program of such events.
- TRDC has been working with TRC and Tourism Tamworth to develop a shared internet presence that holistically promotes the region as a place to live, work and play. TRC has recently appointed a consultant to oversee this project which is expected to be completed in early 2008.
- Drawing upon the new resident research, TRDC launched an interim Tamworth Region website to address the information limitations of existing solutions. The new website received significant positive feedback. Although created as an interim measure while the TRC project noted above is in development, the site provides substantially more content relevant to business and individuals relocating the region than had previously been available. Further, the information is presented in a contemporary style with an easy-to-use navigation system.
- In February 2007, TRDC prepared a submission on behalf of TRC for \$50,000 funding from the Department of State and Regional Development (funds to be matched by TRC) for the development of a regional aviation strategy. The proposal was successful and a steering committee has subsequently been established of which TRDC's Executive Director is a member.
- In mid 2006, TRDC identified a web based solution for the provision of demographic and other regional data on a self serve basis. This system was recommended to TRC and subsequently purchased and implemented in early 2007.

- In 2007, TRDC provided mentoring support to the Young Achievement Australia program, supporting eight local high school students to conceptualise, establish, manage and ultimately liquidate a real world business.
- TRDC undertook a rebranding exercise to develop a contemporary image for the organisation that also portrayed TRDC's broader geographic focus.

From an operational perspective, the greatest challenge confronting TRDC is the effective and efficient utilisation of resources to deliver optimal results. TRDC has a strong focus on avoiding duplication through a sound understanding of what others are doing and by leveraging the skills and services available in the community. During 2006-07, the following outcomes were delivered.

- TRDC entered into a three year agreement with TRC to clarify expectations of both organisations and assure TRDC of a three year funding cycle.
- TRDC lifted its profile in the community through participation in various forums, undertaking presentations to industry bodies and service clubs, and generally raising awareness about TRDC's activities within the business community and through the media.
- A new internal management reporting methodology was developed and implemented to better equip TRDC to manage and measure its achievements.
- The organisation's administration activities were restructured, including the outsourcing of finance, administration and systems support to TRC, providing the organisation with a more robust operating environment. This allowed TRDC to create a new position of Project Manager and Anthony Fitzgerald was formally appointed to that role in December 2006.
- Risk management gaps within TRDC were identified and addressed through the development and approval by the Board of a range of new policies which ensure the organisation is meeting its compliance requirements in a way that is both constructive and efficient.

TRDC's financial position remains in a positive state, with expenditure running within budget. Funds accumulated during the period when the budgeted chief executive position was unfilled remain invested with TRC, contributing positively to TRDC's position.

In 2006-07, TRDC recorded a small operating deficit of \$11,527 (2006: surplus of \$81,492). As at 30 June 2007, TRDC had retained earnings of \$121,163.

During the period, the following businesses were welcomed as new TRDC members:

- Central Ranges Pipeline
- Country Comfort Tamworth Towers
- Forsyths
- Inland Technology
- Jocep Enterprises
- Mitch Hanlon Consulting
- Sefton & Associates
- Shout Marketing
- Tamex Transport
- University Department of Rural Health, Northern NSW
- Workstar
- Yknot Management.

There have been several changes at the board level in 2006-07. Chairman, Terry Keating, resigned from the board in October 2006. At the same time, long standing directors Gary Chillingworth and Robert O'Brien also chose not to stand for re-election at the Annual General Meeting. Tim Blakely and Chris Power were subsequently elected to the Board as member-elected directors.

Further, in October 2006, TRC resolved that one of the three TRDC board positions allocated to Council should be filled by a Councillor. Subsequently, Chris Johnston stood down from the Board and was replaced in December 2006 by Russell Webb as a Council appointed director.

Tim Coates, the incoming President of the Tamworth and District Chamber of Commerce, was appointed to the Board in

December 2006 as the Chamber's representative.

In December 2006, Paul Brial, who was appointed to the board as the Regional Manager of Country Energy, announced he had accepted a new position and would therefore be stepping down. Matt Patterson, the incoming Regional General Manager of Country Energy was subsequently appointed to the Board in February 2007.

In the wake of these many changes, Chris Power was appointed Chairman and Tim Blakely was appointed Vice Chairman in February 2007.

Subsequent to year end, John Saint was appointed to a casual director vacancy in August 2007.

On behalf of the Board and staff we would like to express our sincere thanks to the local community for their ongoing support and would like to particularly acknowledge the financial and in-kind support of Tamworth Regional Council, Country Energy, Stephen A Maher & Co and The Northern Daily Leader.

We would like to acknowledge the contribution and support of those directors that stepped aside during the year and welcome and thank our new directors for their energy and commitment.

It has been a busy year and much has been achieved. While there is still much to be done, the feedback and support we have received gives us confidence that we are on the right track. It also makes us aware of the great many opportunities that abound in the Tamworth Region and for TRDC to 'make it happen'.

We look forward to an equally exciting year in 2007-08.



Chris Power
Chairman



Jo Byrnes
Executive Director



Financial Statements 2006-07

Balance Sheet

as at 30 June 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash	6	127088	125052
Other	7	1328	6818
Total Current Assets		<u>128416</u>	<u>131870</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	8	15285	13788
Total Non Current Assets		<u>15285</u>	<u>13788</u>
TOTAL ASSETS		<u>143701</u>	<u>145658</u>
CURRENT LIABILITIES			
Payables	9	18038	8618
Other	10	4500	4350
Total Current Liabilities		<u>22538</u>	<u>12968</u>
TOTAL LIABILITIES		<u>22538</u>	<u>12968</u>
NET ASSETS		<u>121163</u>	<u>132690</u>
MEMBERS' FUNDS			
Retained Profits		121163	132690
TOTAL MEMBER'S FUNDS		<u>121163</u>	<u>132690</u>

This statement should be read in conjunction with the accompanying notes.



Income Statement

as at 30 June 2007

	Note	2007 \$	2006 \$
Revenue		207813	194441
Expenses		219340	112949
Operating Profit/(Loss) Before Income Tax	3,4	(11527)	81492
Income tax Attributable to Operating Profit	5	0	0
Operating Surplus/(Deficit) After Income Tax		(11527)	81492
Retained Surplus/(Deficit) at Beginning of Year		<u>132690</u>	<u>51198</u>
		<u>121163</u>	<u>132690</u>

This statement should be read in conjunction with the accompanying notes.



Statement of Cash Flows

for the Year Ended 30 June 2007

	Note	2007 Inflows/ (Outflows) \$	2006 Inflows/ (Outflows) \$
Cash Flows From Operating Activities			
Receipts from Members		199579	281027
Payments to Suppliers and Employees		(202632)	(205513)
Interest and Dividends Received		11132	8732
Net Cash used in Operating Activities	14(ii)	<u>8079</u>	<u>84246</u>
Cash Flows from Investing Activities			
Payment for Property, Plant & Equipment		(6041)	0
Proceeds from Sale of Property, Plant & Equipment		<u>0</u>	<u>0</u>
Net Cash Used in Investing Activities		<u>(6041)</u>	<u>0</u>
Cash Flows from Financing Activities			
Repayment of Borrowings		0	0
Proceeds from Borrowings		<u>0</u>	<u>0</u>
Net Cash Used in Financing Activities		<u>0</u>	<u>0</u>
Net Increase in Cash Held			
		2038	84246
Cash at the Beginning of the Financial Year		125052	40806
Cash at the End of the Financial Year	14(i)	<u>127090</u>	<u>125052</u>

This statement should be read in conjunction with the accompanying notes.



Notes to and Forming Part of the Financial Statements

1 STATEMENT OF ACCOUNTING POLICIES

The accounts of the company have been drawn up in accordance with the accounting standards and disclosure requirements of the Australian accounting bodies, applicable Accounting Standards, the provisions of the *Corporations Act 2001* and the requirements of law.

Basis of Preparation

First time adoption of Australian Equivalents to International Financial Reporting Standards

Tamworth Regional Development Corporation Ltd has prepared financial statements in accordance with the Australian Equivalent to the International Financial Reporting Standards (AIFRS) from 1 July 2005.

The financial report of Tamworth Regional Development Corporation Ltd compiles with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non current assets, financial assets and financial liabilities for which fair value basis of accounting has been provided.

Set out below is a summary of the significant accounting policies adopted by the company in the preparation of the accounts.

(a) Income Tax

The change for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the assets are realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and its anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

The company's liability for taxation is reduced by the application of the principle of mutuality, which excludes members' income from the company's assessable income.

(b) Subscription Income

Subscriptions are due for payment on the first day of the calendar year. Any income received in the preceding year is reflected in the accounts as subscriptions in advance, and is carried forward and brought to account as income in the year to which it relates.

(c) Property, Plant & Equipment

Plant & Equipment

Plant & Equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected cash flows that will be received from the assets, employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a fixed line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Leasehold improvements	4-5%
Plant & Equipment	5-33%

(d) Cash

For the purpose of the statement of cash flows Cash includes:

- cash on hand and at call with banks or financial institutions, net of bank overdrafts and
- investments in money market instruments with less than 14 days to maturity.

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(e) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of past events for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.



Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Finance Costs

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use of sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other finance costs are recognised in income in the period in which they are incurred.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2 ECONOMIC DEPENDENCY

The viability of the Corporation will always depend on its financial sponsors. Foremost amongst these are the commitments we receive from the Tamworth Regional Council, Country Energy and the private sector at large. The Directors are aware that the Company will contract or expand its activities depending on the income available. The Directors are also aware that efforts for raising funds must be on a continuing basis.

The Directors are of the opinion that sufficient funds are available to meet the Corporation's current commitments and accordingly, the financial statements have been prepared on a going concern basis.



	2007	2006
3 OPERATING REVENUE	\$	\$
Members' Fees	10370	10046
Members' Contributions	186311	166493
Other Revenue	11132	17902
	<u>207813</u>	<u>194441</u>
4 OPERATING PROFIT		
Included in Operating Profit are the following items:		
Audit	3000	3000
Depreciation of Plant and Equipment	4543	2106
5 INCOME TAX		
Income Tax Expense		
Prima Facie Income Tax Expense (Benefit) calculated at 30% on the Operating Profit/(Loss)	0	23138
Decrease in Income Tax Expense/(Benefit) due to Principle of Mutuality	<u>0</u>	<u>(23138)</u>
	<u>0</u>	<u>0</u>
6 CASH		
Cash on Hand	50	30
Cash at Bank	1231	16250
Invested Funds	125807	108772
	<u>127088</u>	<u>125052</u>
7 OTHER		
Accrued Income	0	4803
Debtors	600	0
GST	<u>728</u>	<u>2015</u>
	<u>1328</u>	<u>6818</u>
8 PROPERTY, PLANT AND EQUIPMENT		
Furniture and Fittings at Cost	11057	5017
Accumulated Depreciation	<u>(3868)</u>	<u>(3260)</u>
	<u>7189</u>	<u>1757</u>
Office Equipment at Cost	27542	27542
Accumulated Depreciation	<u>(19446)</u>	<u>(15511)</u>
	<u>8096</u>	<u>12031</u>
Total Property, Plant and Equipment	15285	13788
9 PAYABLES		
Current		
GST	2578	178
PAYG	9646	7318
Sundry Creditors and Accruals	5814	1122
	<u>18038</u>	<u>8618</u>
10 OTHER		
Membership Fees in Advance	<u>4500</u>	<u>4350</u>
	<u>4500</u>	<u>4350</u>
11 MEMBERS' LIABILITY		

The Company is limited by guarantee and accordingly no shares have been issued. The Constitution of the Company specifically provides that no dividend, bonus or otherwise shall be paid to the members of the Company. On winding up of the Company, members may be required to contribute among themselves such amount as may be required not exceeding \$1.00 per member.

12 SEGMENT INFORMATION

The Company operates in Australia solely to further development in the Tamworth Region.

13 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

a. During the year a company controlled by Tim Blakely supplied website support services to the value of \$2343.

14 STATEMENT OF CASH FLOWS

- i) For the purposes of the Statement of Cash Flows, cash includes Cash On Hand and In Banks and Investments in money market instruments, net of any outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2007	2006
	Inflows/ (Outflows)	Inflows/ (Outflows)
	\$	\$
Cash on Hand	50	30
Cash at Bank	1231	16250
Invested Funds	<u>125807</u>	<u>108772</u>
	<u>127088</u>	<u>125052</u>

- ii) Reconciliation of Net Cash provided by (used in) Operating Activities to Operating Profit (Loss) after Income Tax

Operating Surplus/(Deficit) After Income Tax	(11527)	81492
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Non Cash Flows in Operating Profit (Loss):

Depreciation	4543	2106
(Increase) Decrease in Accrued Income	6090	11282
(Increase) Decrease in Property Plant Equipment	(6040)	(10064)
(Increase) Decrease in Sundry Debtors	(600)	0
(Increase) Decrease in Prepaid Expenses	0	0
Increase (Decrease) in Sundry Creditors	9420	309
Increase (Decrease) in Income in Advance	150	(880)

Net Cash Provided By (Used In) Operating Activities	<u>2036</u>	<u>84246</u>
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Directors' Report

The Directors present their Report together with the Financial Statements of Tamworth Regional Development Corporation Limited for the year ended 30 June 2007.

Directors

The Directors in office as at the date of this report are:

Appointed Chairman

Australian Training and Consulting Chris Power ¹

Appointed Directors

Tamworth Regional Council	Glenn Inglis
Tamworth Regional Council	Alison McGaffin
Tamworth & District Chamber of Commerce	Tim Coates ²
Tamworth Regional Council	Russell Webb ²
Country Energy	Matt Patterson ³
JT Fossey	John Saint ⁴

Elected Directors

Country Connect Pty Ltd Tim Blakely

Directors who held office for part of the financial year 2006-07 were:

Appointed Chairman

Terry Keating ⁵

Appointed Directors

Tamworth Regional Council	Chris Johnston ⁶
Country Energy	Paul Brial ⁶

Elected Directors

Astasia Pty Ltd	Gary Chillingworth ⁵
R & M Steel Supplies (Uralla) Pty Ltd	Rob O'Brien ⁵

Notes:

- 1 Elected 4 October 2006. Appointed Chairman 22 February 2007
- 2 Appointed 14 December 2006
- 3 Appointed 22 February 2007
- 4 Appointed to casual vacancy 16 August 2007
- 5 Retired 4 October 2006
- 6 Retired 14 December 2006

Company Secretary

As at 30 June 2007, Jo Byrnes was TRDC's Company Secretary.

Operating Result

The operating result for the year after income tax was a small deficit of \$11,527 (2006: \$81,492).

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the company during the financial year other than those referred to in the Chairman and Executive Director's Report on Operations.

Principal Activities

The principal activities of the company during the course of the year were to assist and promote the balanced development of the Tamworth Region.

After Balance Date Events

No significant events occurred subsequent to year end.

Future Developments

The company expects to maintain the present status and level of operations and will continue to actively promote the economic development of the Tamworth Region.

Key Business Strategies and Future Prospects

The company's business strategies and future prospects are detailed in the Chairman and Executive Director's Report on Operations

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

The income and property of the company was applied solely towards the promotion of the objects of the company as set forth in the Constitution and no portion thereof was paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit to the members of the company, except for the payment in good faith, of reasonable and proper remuneration to any officer or servant of the company or to any member of the company or other person in return for any services actually rendered to the company.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnities

During the financial year, the company paid a premium in respect of Association Liability Insurance insuring all directors, officers and employees (whether salaried or not) of the company against liabilities in respect of the following:

- Professional Indemnity insurance cover
- Directors & Officers Insurance cover
- Association Reimbursement Insurance cover
- Association Entity Insurance cover
- Employment Practices Insurance cover
- Fidelity Insurance cover
- Taxation Investigation cover.



The liabilities insured against included costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or a related body corporate.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Director Information

Christopher Power BSc

Chairman

First appointed 2004. First elected 2006. Appointed Chairman February 2007

Mr Power has held management positions in Tamworth in the economic development, food processing, transport and training industries.

He was the Development Manager at Tamworth City Council for eight years and during this time was closely involved with Tourism Tamworth, industrial land development and sales, and economic development strategies for the city. He then managed Tamworth based food processing plants in the poultry and small stock areas. He also oversaw the management of a period of rapidly changing legislation and regulation in the road transport industry at Careys Freight Lines before taking on his current role as Compliance Manager with Australian Training & Consulting in early 2007.

Tim Blakely, BAppSc (Ind Des), BAppSc (Enviro Des)

Vice Chairman

First elected 2005. Appointed Vice Chairman February 2007

Mr Blakely is a design and marketing specialist with experience gained in Sydney, the United Kingdom, Austria and the United States. Over the past 12 years, he has successfully started and developed a number of internet based businesses, one of which was an internet service provider business which was subsequently acquired by a listed public company. He is currently Managing Director of Country Connect Pty Ltd, a web development and graphic design business located in Tamworth. Mr Blakely is Chairman of TRDC's Marketing Sub-Committee.

Glenn Ronald Inglis, M.Bus., Grad. Dip. LGM, Dip. LGA, MLGMA

Current appointment commenced 2004

Mr Inglis is General Manager, Tamworth Regional Council and previously held the position of General Manager, Parry Shire Council. Between 1980 and 1993 he held a number of senior positions relating to finance, governance and public policy.

Alison McGaffin, BA (Professional Writing), Grad Dip Urban and Regional Planning, Grad Cert in Local Govt Mgt

First appointed 2005

Ms McGaffin is a town planner who has held management positions in both State and Local Government, including Regional Planning Manager, Barwon Region with the former Department of Infrastructure, Planning and Natural Resources and the Manager of Approval and Regulatory Services with Maitland City Council. In September 2005, she joined Tamworth Regional Council



as the Director of Environment, Planning and Economic Development. Ms McGaffin is a member of TRDC's Marketing Sub-Committee.

Tim Coates

First appointed December 2006.

Mr Coates is the Managing Director of Australia Training and Consulting, a business he founded and commenced. He is currently the President of the Tamworth and District Chamber of Commerce and Industry. He is also a member of the Tamworth Jockey Club and the Rotary Club of Tamworth First Light.

Russell Webb

First appointed December 2006

Mr Webb is a Councillor with Tamworth Regional Council. He is also District Coordinator with Workcover, Tamworth and has been with that organisation for 27 years. He has previously been a part-time TAFE teacher, a position he held for 18 years and a Councillor with the former Parry Shire from 1991 until its amalgamation into the Tamworth Regional Council. Mr Webb owns and manages a small farming and grazing operation in the Tamworth area.

Matt Patterson , Bachelor of Business (Marketing and Management)

First appointed February 2007

Mr Patterson is Regional General Manager Northern Region for Country Energy. He started out in Melbourne working in various Sales and Marketing roles in the Film and Television before working with Mobil Gas in London (UK). He has been with Country Energy for nine years in customer service, sales, marketing and management roles across New South Wales.

John Saint

First appointed August 2007

Mr Saint is Sales Manager of JTFossey – Truck Division, Tamworth. He has held this position for the past four years, prior to which he spent 10 years as a Heavy Truck Sales Consultant.

Terry Keating, FCPA

Chairman

First appointed 2003. Resigned October 2006.

Mr Keating is Dealer Principal and Managing Director of the J T Fossey Group of Companies in Tamworth. He has held these positions since 1977 and prior to this time was the group's financial controller for seven years.

He has been a member of the Ford National Dealer Council as the NSW non-metropolitan delegate for 16 of the past 20 years and has served as National Chairman since 2000. He has previously served on the executive of the Motor Traders Association of NSW, including three years as President. Mr Keating is currently President of the Longyard Golf Club, Tamworth.

Gary Kenneth Chillingworth

Deputy Chairman

First elected 2002. Resigned October 2006.

Mr Chillingworth was formerly founding director of Retorque Engine Reconditioning, Motorco, Bearfast, Peace Pipes, and a Councillor of the former Tamworth City Council, during which time he served on the board of Tamworth Development Corporation for three years. He is currently involved in property investment and development and is a director of Astasia Pty Ltd, GKRN

Investments and CHITAI Investments. Mr Chillingworth is also President, North Tamworth Rugby League, Chairman, Victoria Park Precinct Committee, Secretary, Tamworth Sister City Committee, Secretary, Tamworth Tidy Towns Committee. Mr Chillingworth is also a member of TRDC's Marketing Sub-Committee.

Paul J Brial, MBA, BE(Hons), Dip. Tech(Eng)

First appointed 1997. Resigned December 2006.

After a 25 year career in power distribution throughout Northern NSW, Mr Brial was appointed Regional General Manager – Northern for Country Energy in 2001.

Robert O'Brien, JP, SAE(ret)

First elected 2002. Resigned October 2006.

Mr O'Brien is the founder of Obieco Industries, a manufacturing engineering company which now employs some seventy staff in Tamworth and distributes to national and international markets. Mr O'Brien, an automotive design engineer, retired from that company in 2002 and is now the Managing Director of R & M Steel Supplies Pty Ltd, an investment trading company. Mr O'Brien also operates a small rural enterprise in the New England area and provides consultancy advice to the engineering and construction industries. He has also previously held various community positions including presidency of sporting and social organisations.

Christopher Gerard Johnston

First appointed 2004. Resigned December 2006.

Mr Johnston has held management positions in New South Wales Local Government over the past 15 years including his current position as Manager, Economic Development and Commercial Lands with Tamworth Regional Council. Mr Johnston has also held management positions with responsibilities for economic development and land development at Kempsey Shire Council and Byron Shire Council.

Meetings of Directors

Director Name	Directors' Meetings		Marketing Sub Committee	
	# Meetings Held	# Meetings Attended	# Meetings Held	# Meetings Attended
Chris Power	6	6		
Tim Blakely	6	6	1	1
Glenn Inglis	6	5		
Alison McGaffin	6	5	1	1
Tim Coates ¹	4	2		
Russell Webb ²	4	3		
Matt Patterson ³	3	2		
Terry Keating ⁴	2	2		
Gary Chillingworth ⁴	2	2	1	1
Robert O'Brien ⁴	2	2		
Paul Brial ⁵	2	0		
Chris Johnston ⁵	2	2		

Notes:

- 1 Appointed 14 December 2006
- 2 Appointed 14 December 2006

- 3 Appointed 22 February 2007
- 4 Retired 4 October 2006
- 5 Retired 14 December 2006

Directors' Benefits & Related Party Transactions

Since the end of the previous financial year one director of the company has received or become entitled to receive benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts, or the fixed salary of a full-time employee of the company or of a related corporation) by reason of a contract made by the company or a related corporation with any director or with a firm of which any director is a member, or with a company in which any director has a substantial financial interest. TRDC contracted Country Connect Pty Ltd, a company associated with Mr Tim Blakely, to develop and support a new website. The contract was entered into under commercial terms and conditions and following a request for tender process with three organisations.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 22.

Corporate Governance

The directors of the company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The company's corporate governance practices were reviewed during 2006-07 and a number of new policies and procedures formulated to reflect industry standards.

Signed in accordance with a resolution of the Board of Directors.



C Power
Chairman
Date: 30 August 2007

Directors' Declaration

The Directors of Tamworth Regional Development Corporation Limited declare that:

1. The financial statements and notes accompanying the financial statements present fairly the company's financial position as at 30 June 2007 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



C Power
Chairman
Date: 30 August 2007



Independent Audit Report

To the members of Tamworth Regional Development Corporation Limited.

Report on the Financial Report

We have audited the attached financial statements, being a general purpose financial report, of Tamworth Regional Development Corporation Limited for the year ended 30 June 2007. The financial statements comprise the Income Statement, Balance sheet, Statement of Cash Flows, and Notes to and Forming Part of the Financial Statements, and the Directors' Declaration.

Directors Responsibility for Financial Report

The company's directors are responsible for the preparation and fair presentation of the financial statements in accordance with the Australian accounting standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and accounting policies described in Note 1. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on the audit. We conducted our audit in accordance with the Australian accounting standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including assessment of risk of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial reporting order to design audit procedures appropriate to in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Tamworth Regional Development Corporation Limited set out on page 22 of the financial report, would be in the same terms if provided to the directors as at the date of this auditor's report.



Audit Opinion

In our opinion, the financial statements of Tamworth Regional Development Corporation Limited for the year ended 30 June 2007 is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30th June 2007 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Accounting Standards in Australia and other Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Stephen A Maher
Stephen A Maher & Co
Chartered Accountant
Peel Street, Tamworth
Date: 30 August 2007

Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

To the Directors of Tamworth Regional Development Corporation Limited.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit;
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Stephen A Maher
Stephen A Maher & Co
Chartered Accountant
Peel Street, Tamworth
Date: 30 August 2007



Membership

The Directors and management of TRDC wish to gratefully acknowledge and thank our financial contributors for their continued support throughout the year. Membership as at the time of this report is as follows:

Special Acknowledgements

Tamworth Regional Council
Country Energy

Stephen A Maher & Co
Northern Daily Leader

Financial Members

- Alandale Motor Inn & Function Centre
- Andromeda Industries Pty Ltd
- ANZ Banking Group Limited
- Aon Risk Services Australia Limited
- AusIndustry
- Austin Tourist Park
- Australian Quarter Horse Association
- Australian Training and Consulting
- B J Cole & Co
- Bamford Marcellos O'Connor
- Barry Taylor Insurance Broker
- Barton van Aanholt
- Bath Stewart Associates Pty Ltd
- Bellata Gold
- Best Practice Constructions Pty Ltd
- Blowes Menswear
- Cahills Great Northern Chemist
- Carey's Freight Lines
- Central Ranges Pipeline Pty Ltd
- Challenge Tamworth
- City Plaza Centre Management
- Country Comfort Tamworth Towers
- Country Connect Business Communications
- Country Energy
- Decorama Blinds Pty Ltd
- Duncan Plante & Co
- Edwards Printing
- Elgas Ltd
- Everingham Solomons, Solicitors
- Fiona's Mini Bus Rentals
- Forsyths
- Freemans Loss Adjusters
- Hancocks Chartered Accountants
- Hill Lockart Architects
- Hunter Land Pty Ltd
- Inland Technology
- J T Fossey (Sales) Pty Ltd
- Jo Crossing Chartered Accountant
- Joblink Plus
- Jocep Enterprises
- Joseph Horan Solicitor
- L J Hooker Tamworth
- Lockhart Consulting Business Advisors
- Loremell Pty Ltd
- Lyons Barnett Kennedy
- Meers & Shelton First National
- Mitch Hanlon Consulting
- National Cutting Horse Association of Australia
- NBN Television
- New England North West Group Training
- North West Locksmiths
- Northern Daily Leader
- Northern Inland Credit Union
- NSW Department of Education & Training
- Obieco Industries Pty Ltd

- One Six Four Marius Pty Ltd
- Peel Television Services Pty Ltd
- Peel Valley Training & Employment
- Penford Australia Limited
- QantasLink
- Quality Hotel Powerhouse
- Quest Tamworth
- R & M Steel Supplies (Uralla) Pty Ltd
- R C Barber & Son Pty Ltd
- Robert Locke Solicitor & Attorney
- Rural Press Events
- Rutec Pty Ltd
- Sefton & Associates
- Shout Marketing
- Small Business Cente New England & North West
- Southern Cross TEN
- St George Bank Limited
- Stephen A Maher & Co Chartered Accountant
- TAFE NSW - New England Institute
- Tamex Transport Pty Ltd
- Taminda Smash Repairs
- Tamworth & District Chamber of Commerce & Industry
- Tamworth Balustrade & Fabrication
- Tamworth Buslines
- Tamworth Quality Carpet Choice
- Tamworth City Toyota
- Tamworth Radio Cabs Co-Op Ltd
- Tamworth Regional Council
- Tamworth Shoppingworld Centre Management
- Tamworth Tenpin Bowling Centre
- The Law Company
- TJ Treloar & Co Pty Ltd
- Top State Office Supplies Pty Ltd
- TR & CM Coultan Industries Pty Ltd
- University Department of Rural Health, Northern NS
- WarburtonsIYB
- West Tamworth Public School
- Whitham's Warehouse
- Woolworths Limited
- Workstar
- Yknot! Management



Contact Details

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Facsimile	02 6766 2262
Email	trdc@tamworthregion.com.au
Website	www.tamworthregion.com.au
Chairman	Chris Power
Company Secretary	Jo Byrnes
Banker	ANZ Bank 479 Peel Street Tamworth NSW 2340
Auditors	Stephen A Maher & Co 1/459 Peel Street Tamworth NSW 2340
Accountants	Tamworth Regional Council Ray Walsh House Peel Street Tamworth NSW 2340
Solicitors	Everingham Solomons 437 Peel Street Tamworth NSW 2340

