



*2009 - 10*

Annual Report  
NSW Businesslink Pty Ltd

Shared Service Provider  
for the Department of Human Services

Businesslink provides a comprehensive range of shared corporate services in the areas of Finance, Human Resources, Information Technology and Business Services. Businesslink's core purpose is to improve the delivery of corporate services, to leverage technology and to reduce costs, allowing our clients to focus on their core business.



Human  
Services



Businesslink  
by Ltd

APPLAUSE  
2010  
WINNER

Lyla Roberts

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## Letter to the Minister

The Hon Linda Burney MP  
Minister for the State Plan  
Minister for Community Services  
Level 30, Governor Macquarie Place  
1 Farrer Place  
Sydney NSW 2000

Dear Minister

I am pleased to submit to you a report on the activities of NSW Businesslink Pty Ltd (Businesslink), for the period 1 July 2009 to 30 June 2010.

In June 2009 Businesslink, along with its client agencies, became part of the Department of Human Services NSW (DHS). Businesslink continued to deliver shared business services primarily to the DHS agencies, Community Services, Housing NSW and Ageing, Disability and Home Care.

The remaining agencies within DHS did not transition to Businesslink within the reporting period.

This report has been prepared in accordance with provisions of the *Corporations Act 2001 (Cth)*, *Public Finance and Audit Act 1983*, *Freedom of Information Act 1989*, *Disability Services Act 1993* and the regulations under those Acts.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Albert Olley', with a stylized flourish at the end.

**Albert Olley**  
Managing Director



A portrait of Jan McClelland, a woman with short blonde hair, smiling. She is wearing a dark blazer over a red top and a teal necklace. The background is a blurred office setting.

## Welcome from the Chair

I am very pleased to report that Businesslink has delivered another strong result for the 2009-10 year, continuing to improve service delivery and value to our client agencies.

Businesslink's purpose is to provide low cost and quality services to its clients. The establishment of the Department of Human Services in July 2009 has seen the number of client agencies grow to include Aboriginal Affairs, Aboriginal Housing, Ageing, Disability and Home Care, Community Services, Housing and Juvenile Justice.

To achieve its purpose, Businesslink faces the challenge of continually driving greater efficiency and innovation in business processes within the Company and its clients to ensure that client agencies have access to a range of suitable and cost effective products and services to meet their needs. Over the past year we have worked to achieve the objectives set in the Statement of Business Intent, continuing to seek opportunities that improve service delivery and capabilities for our clients.

It is pleasing to be able to confirm that sound corporate governance and control frameworks are implemented, operating as designed and subject to independent oversight and review. On behalf of the Board, I would like to acknowledge the critical role that the Audit and Risk and Client Liaison Board Sub-Committees play in supporting the Board's deliberations, and assisting it discharge its fiduciary responsibilities.

I would like to acknowledge and thank my fellow Board members for their contribution to Businesslink's significant progress during the reporting year.

During the year we said goodbye to Businesslink's founding Managing Director, Pat Richards, who has left Businesslink after five and a half years. As a Director of the Company, Pat made a significant contribution to the Board and to the successful evolution of the Company. On behalf of the Board, I would like to thank Pat for his efforts and the role he played in Businesslink's success.

I am pleased to welcome the new Managing Director and Board

member, Albert Olley, who brings to the role strategic, operational and corporate reform experience in leading and managing corporate and shared services functions in both the public and private sector. He joined NSW Businesslink in 2005 and has made a significant contribution to the Businesslink leadership team and to the Department of Human Services Executive team.

Finally, on behalf of the Board I would like to thank the Managing Director, Albert Olley and all the staff of Businesslink for the role they have played in the ongoing evolution of Businesslink and the outstanding service they provide to our client agencies.

It is with great pleasure that I present our Annual Report for 2009/10.

A handwritten signature in black ink that reads "Jan McClelland".

**Jan McClelland**  
Chair



2009-10 has seen increased focus on quality of service and demand management. This has seen improvements in the client relationships and a slowing growth in consumption of services.

## Managing Director's Foreward

The 2009-10 year has been a year in which two significant activities have shifted our corporate focus and commenced embedding a leadership culture that will allow us to continue our growth as a leading shared service provider.

The first event was the creation in July 2009 of the Department of Human Services (DHS) and the Blueprint for Corporate and Shared Services in the NSW Government that was developed by the Department of Premier and Cabinet through the course of the year. This change shifted our corporate focus from growth and expansion to servicing DHS and its clients solely. This has allowed us to take a very specific and targeted focus on service improvement and operational effectiveness.

The second event has been the commencement of our organisation cultural change and strategic leadership development program. The combination of these two initiatives is allowing us to empower leadership and engage the staff in the reform process as we drive to deliver successful outcomes for our clients.

These two events have provided impetus for new reforms and refocussing on the way we work with our client agencies.

A favourable outcome of the creation of DHS has been the addition of three new agencies to our portfolio, namely Aboriginal Affairs, Aboriginal Housing Office and Juvenile Justice. During the year extensive work has been undertaken to prepare for their transition to Businesslink services during 2010-11.

2009-10 has seen increased focus on quality of service and demand management. This has seen improvements in the client relationships and a slowing growth in consumption of services.

Throughout the course of the year we have been active participants in the establishment of the DHS. Activities completed during this year have established a priority focus for the coming years that will enable us to leap forward as we focus on the end-to-end simplification, standardisation and automation of core business functions and processes.

During the reporting year, Businesslink successfully met all of its financial performance targets and achieved its fiscal goals.

This year, we bid farewell to our founding Managing Director, Pat Richards. I wish Pat well in his future endeavours and thank him for his strong leadership as we evolved into a successful shared business services organisation.

I also express my thanks to the Chair, Jan McClelland and fellow Board of Directors for their support, guidance and patience as I transitioned into the role of Chief Executive.

Likewise, I would be very remiss not to thank and recognise the significant support and effort provided by the executive, senior and middle management team as we continue to improve our services year on year in an ever changing environment.

I would like to take this opportunity to commend and thank the staff of Businesslink whose skill and dedication have allowed Businesslink to realise the value in our solutions and achieve the successes outlined in this report.

I look forward to another year of new achievements as we consolidate our position as a leader in the provision of Shared Services.



**Albert Olley**  
Managing Director





## *Charter*

Businesslink provides a comprehensive range of shared corporate services in the areas of Finance, Human Resources, Information Technology and Business Facilities Management Services.

Businesslink's objective is to provide low cost and good quality advisory support and transactional services to its clients enabling them to focus on their core business.



**NSWbusinesslink** is the agency within the Department of Human Services from whom the Company procures staff employment under the NSW Public Sector Employment and Management Act 2002.

**NSW Businesslink Pty Ltd** was formed on 28 June 2004 under the *Commonwealth Corporations Act 2001* and is a Corporations Law company incorporated to deliver shared corporate services to the NSW Department of Human Services agencies of Ageing, Disability and Home Care, Community Services and Housing NSW.

## Shareholders

NSW Businesslink Pty Ltd is a Corporations Act company with shareholding made up of the Treasurer and the Minister for Community Services, Minister for Ageing and Disability Services, and Minister for Housing.

Direction and oversight is provided through a Company Board of Directors comprising an independent Chair, the Director General, Department of Human Services; Chief Executives of the Department of Ageing and Disability Services, and Housing NSW; and the Chief Executive of Businesslink. Under the Shareholders Agreement, Businesslink is required to operate within the parameters of a Statement of Business Intent. This is prepared annually and approved by the shareholders. Our shareholders as at 30 June 2010 were:

### The Hon Eric Roozendaal MLC Treasurer

- Treasurer
- Special Minister of State

### The Hon Linda Burney MP Minister for Community Services

- Minister for the State Plan
- Minister for Community Services
- Member for Canterbury

### The Hon Peter Primrose MLC Minister for Ageing Minister for Disability Services

- Minister for Ageing
- Minister for Disability Services
- Minister for Youth
- Minister for Volunteering

### The Hon Frank Terenzini MP Minister for Housing

- Minister for Housing
- Minister for Small Business
- Minister Assisting the Premier on Veterans Affairs
- Member for Maitland

*Under the Shareholders Agreement, Businesslink is required to operate within the parameters of a Statement of Business Intent.*

## Board of Directors

NSW Businesslink Pty Ltd is governed by a Board of Directors. Directors are required to attend regular meetings and may be involved in Board Sub-Committees.

The Board is responsible for the overall corporate governance of Businesslink, including Businesslink's strategic direction, establishing goals for management and monitoring the achievement of those goals.

A list of the meetings attended by Directors during the year is included in the section "Our Financial Performance".

### Pat Richards, CA

Pat Richards was the Managing Director and Chief Executive Officer of Businesslink until 8 March 2010.



### Jan McClelland (Chair), BA (Hons), BLegS, FAIM, FACEL, MAICD, MIPAA

Jan McClelland was appointed as Chair of NSW Businesslink Pty Ltd in July 2004. An experienced senior executive, Jan is the former Director General of the NSW Department of Education and Training and the former Managing Director of the NSW TAFE Commission. She also holds a number of directorships.



### Albert Olley, BBus (Accounting and Computing), GradDip Applied Corporate Governance, MAICD, ACIS

Albert Olley was appointed as Acting Managing Director in March 2010 and Chief Executive. Before his appointment as Acting Managing Director, Albert was the Company Secretary and Chief Financial Officer with responsibility for corporate governance, financial services, taxation services, payroll, business service centre (call centre), internal audit and risk management, product management, corporate services and the management of relationships with key clients and stakeholders.

*The Board is responsible for the overall corporate governance of Businesslink, including Businesslink's strategic direction, establishing goals for management and monitoring the achievement of those goals.*



**Jennifer Mason, BA (Hons), BSocWk, MCrim**

Jennifer Mason is Director General, Department of Human Services NSW.

Prior to becoming Director General, Jennifer was the Director General of Community Services and prior to that the Department of Juvenile Justice from October 2005. Jennifer was also the Chief of Staff to the former Attorney General, the Hon Bob Debus MLC and was previously Principal Investigation Officer with the Office of the NSW Ombudsman.



**Jim Moore, BA (Hons) Com, GradDip (Acc)**

Jim Moore is the Chief Executive, Ageing, Disability and Home Care, Department of Human Services NSW.

Jim has previously held management and policy positions in NSW State and Commonwealth Government Departments.



**Mike Allen, Grad Dip UEM**

Mike Allen is the Chief Executive of Housing NSW which is the largest social housing provider in Australia.

Mike joined Housing NSW in July 1978, and has accrued over 30 years experience in social housing management and client service delivery, including community and Aboriginal housing.

## Board Sub-committees

### Audit and Risk

The Board is ultimately responsible for ensuring that an appropriate control framework is implemented and operational risks are appropriately managed and that an appropriate financial management framework is in place. They also ensure that the control framework remains effective and supports the Company objectives.

The Audit and Risk Board Sub-Committee assists the Board in carrying out this responsibility. This Sub-Committee has the authority to request information from any employee of Businesslink and is authorised to take such independent, professional advice, as is necessary.

The Sub-Committee is Chaired by Norman Newbon. Other members include John Hunter, an independent member and Jim Moore a Board Member. The role of the Sub-Committee is directed towards:

- Enhancing the systems of internal control of the Company;
- Improving the objectivity and reliability of externally published financial information;
- Promoting effective risk management;
- Maintaining an effective and efficient external and internal audit capability;
- Reviewing key aspects of the financial management framework;
- Periodically reviewing the financial structure, performance and associated accounting treatment; and
- Ensuring legal compliance with the *Corporations Act 2001 (Cwlth)*, the *Public Finance and Audit Act 1983 (NSW)* and all other applicable laws.

### Information Management and Technology (IM&T)

The IM&T Sub-Committee was established to provide direction on items of a strategic nature relating to IM&T. The last meeting of the IM&T Sub-Committee was held on 9 December 2009. The Sub-Committee was subsequently disbanded.

### Client Liaison Group (CLG)

The Businesslink Board Client Liaison Sub-committee (CLG) was established in December 2009 as the key committee to advise the Board of Directors and provide service delivery input that impacts the strategic directions and planning focus for achievement of shared business service outcomes for Businesslink the Company and its Clients.

The Sub-Committee is Chaired by Cliff Haynes, Executive Director, Strategic Corporate Services, Department of Human Services.



## What we do and who we serve

# BUSINESSLINK'S VISION IS TO BECOME SHARED SERVICES EXPERTS

### Mission/Purpose

Businesslink's mission is to provide high quality, low cost services and to operate a financially sustainable business that is flexible and can readily expand to meet increased demand for its services.

### Aims and objectives

Businesslink's aim is to help create a more efficient and effective public service so that our community receives the care and attention it needs.

Our objective is to continue to grow by leveraging the scalability of our business to:

- Be in partnership with our Client Agencies;
- Be the provider of all non-strategic workforce and employee related,

finance, technology, project and property services;

- Be sufficiently financially scalable and sustainable to contain price movements;
- Deliver services through robust quality control frameworks that empowers measurement, analysis, management and continuous improvement;
- Provide environmental accountable leadership in the public sector; and
- Enhance and develop our shared services infrastructure for the benefit of our clients and the NSW Government.

NSW Businesslink provides shared services to agencies within the Department of Human Services NSW:

- Ageing, Disability and Home Care (ADHC);
- Community Services (CS);
- Housing NSW (HNSW); and
- Department of Juvenile Justice (JJ).

Businesslink plays a vital role in helping our client agency staff to deliver services to the many people across NSW who depend on them.

### Range of services provided

Businesslink provides a broad range of operational corporate related and organisational infrastructure services and facilities to its clients so as to enable them to deliver their core services in a more cost effective manner.

### THE AGENCY PROVIDES A DIVERSE RANGE OF SERVICES AS SET OUT BELOW.

Business Services	Finance Services	Human Resource Services	Information Technology
Business Service Centre (Call Centre)	Financial Accounting	Recruitment Solutions	End User Support
Fleet Management	Management Accounting	Employee Relations	Systems Support
Records Management	Accounts Payable	Learning and Development	Operations Management
Property Management and Leasing	Accounts Receivable	Payroll Transactions	Systems Design and Development
Facilities Management	Fixed Asset Management	Staff Establishment	Systems and Infrastructure Management
Mail and Courier Services	Cash Management	Occupational Health and Safety	Consulting and Project Services
Office and Administration Services	Budget Formulation and Cycle Management	Performance Management	Data Centre Operations
Printing Services	Taxation Management	Organisational Development	Disaster Recovery
Government Reporting	Costing and Pricing Management	Strategic HR Advice	Information Security Management and Advisory Services
Strategic Procurement Services	Purchase Order Management		Centralised IT Procurement
	Financial Reporting		
	Professional Advice and Consulting		





# Our Company

## Statement of Business Intent

The Statement of Business Intent (SBI) summarises the goals, objectives and initiatives of NSW Businesslink Pty Ltd's (Businesslink) 2009-10 Business Plan. The SBI provides a focus for the major activities and deliverables that the Company will provide during 2009-10 and outlines at a high level, Businesslink's aspirations over the next 3 years.

Businesslink's focus on providing quality and low cost support to its Client Agencies is consistently represented throughout this Statement.

The 2009-10 SBI builds on the strong foundations that were put in place in previous years and confirms the Company's operating model as a robust, transparent and growing business that is assisting Government achieve: lower cost infrastructure; back office applications; and centres of capability services; coupled with a maturing business risk management framework, freeing Client Agency resources for the delivery of front-line services.

Businesslink remains committed to providing increasing value for money services to our Client Agencies, whilst expanding our capabilities to meet the broader Whole of Government imperative.



## Risk Management and Insurance Activities

NSW Businesslink participates in the NSW Treasury Managed Fund, a self-insurance scheme which provides workers' compensation, legal liability, motor vehicles, property and miscellaneous cover. One of the conditions of this insurance coverage is a requirement to place a high priority on the implementation of sound risk-management practices.

### Risk Management

NSW Businesslink operates within a dynamically changing environment, reflected in the diversity of our corporate purpose and our corporate objectives. To assist managers to identify, administer and control both corporate and operational risk, the Company has implemented a future-focused risk framework that is consistent with AS/NZS 4360:2004 and ISO 31000. NSW Businesslink's risk management plan integrates with the internal audit plan, business continuity management and information security management systems.

## SUMMARY SCORECARD OF RESULTS ACHIEVED ACROSS THE BUSINESS FOR THE QUARTER:

Item	Result
Financial Result satisfactory	✓
Financial Forecast in-line with Budget	✓
Product Volumes in-line or ahead of Budget	✓
Statutory Reporting within timeframes	✓
Key Projects operating within tolerances	✓
Corporate Risks understood and being managed	✓
Internal Audit Reports – 3 or better	✓
Occupational Health and Safety	✓
Environmental Accountability	✓
All staff below 40-days accrued leave	Improving

### Internal Audit

Our internal audit partner and advisor is Deloitte Touche Tohmatsu, who undertake a comprehensive annual risk assessment and internal audit program.

The Internal Audit Plan (IAP) and programs are identified and scheduled for review on the basis of the risk associated with the particular function, activity, program or process. The scope of internal audit encompasses an assessment of risk and the examination and evaluation of the adequacy and effectiveness of the system of internal control and associated activities. The IAP covers all activities of Businesslink together with associated organisations and their commercial activities. It involves the review of all financial and non-financial operations.

The internal audit plan has been subdivided into the following two streams:

- Corporate Audits; and
- Third Party Assurance Audits.

Third Party Assurances relates to the reliability and integrity of the services offered by NSW Businesslink as well as the assurance gained by the client agencies that is relied upon by the auditors. This reliance reduces agency audit efforts and reduces duplicated effort.

The IAP is cyclical over the period to take into account finite Internal Audit resources. This approach is consistent with the approach advocated by the Institute of Internal Auditors and the IAP is aligned to current Better Practice Statements on Internal Audit and Internal Controls.

### Information Security

NSW Businesslink has maintained AS/NZS 7799.2:2003 – Information Security Management (ISM) - certification and recertified under the new international standard ISO 27001 in 2009. Businesslink continues to maintain and build its Business Continuity Management Framework, adopting the International Standard ISO 25999.

### Business Continuity Management

NSW Businesslink continues to establish and build its Business Continuity Management (BCM) Framework, adopting the British Standard BS25999-1:2006.

Businesslink actively manages and maintains currency of its BCM plan by regularly conducting training and rehearsal sessions for teams that will manage the disaster and teams that would continue to deliver the business critical services to our clients.

Should Businesslink's head office become unavailable, alternate working sites have been established.

To maintain our services, the Company's information technology assets are deployed in two geographically separate world class data centre facilities.

### Privacy Management Plan

NSW Businesslink has developed a Privacy Management Plan in response to the *Privacy and Personal Information Act 1998*.

The Act aims to protect the privacy of individuals from the inappropriate collection, storage, use and disclosure of personal information by NSW public sector agencies.

It is based on the 12 information principles, which establish standards for using personal information in an open and accountable manner. The Information Protection Principles apply to all staff, consultants and contractors engaged by NSW Businesslink.

The complete Privacy Management Plan is available from the NSW Businesslink Board Secretariat. Staff have access to the plan via NSW Businesslink's intranet website.

There were no privacy complaints received throughout the year.



### Complaints/Consumer Response

#### Client Feedback Management System

Businesslink manages and tracks compliments and complaints through its Business Services Centre (BSC).

For the 12 months to 30 June 2010, 37 formal complaints and 72 compliments were registered. The main cause for these complaints was found to be procedural gaps (51%) resulting in new or reviewed procedures across BSC, Payroll and IT Services. Compliments were mainly attributable to the BSC (89%) and of these BSC compliments, 89% were for excellent service delivery.

## Occupational Health and Safety

Sixteen (16) new Workers' Compensation claims were lodged in 2009-10.

The average cost of claims at the end of the 2009-10 financial year (costs estimates as at 30 June 2010) was \$6,556, which is a decrease of \$12,310 per claim over the previous year.

There were no prosecutions under the *Occupational Health and Safety Act 2000*.

### CUSTOMER FEEDBACK IS PRIMARILY DUE TO:

Reason	Complaints	%	Compliments	%
Service	11	29.7%	60	83.3%
Quality	10	27.0%	7	9.7%
Response	16	43.3%	5	7.0%
<b>Total</b>	<b>37</b>	<b>100%</b>	<b>72</b>	<b>100%</b>

### THE UNDERLYING ISSUE WAS A RESULT OF:

Cause	Complaints	%	Compliments	%
Knowledge gap on the part of Businesslink	1	2.7%		
Knowledge gap on the part of client	5	13.5%		
Policy – action taken in accordance with policy (Businesslink or Client)	4	10.8%		
Breakdown in procedure or process	18	48.7%		
Vendor issue	6	16.2%		
Action taken by an employee	3	8.1%	72	100%
<b>Total</b>	<b>37</b>	<b>100%</b>	<b>72</b>	<b>100%</b>





# Our Performance

## Key achievements of the year

### Fostering NSW Campaign

The Fostering NSW Campaign was launched on 21 April 2010 and ran for 10 weeks. The campaign was supported by a team of contact centre operators and recruitment support officers answering telephone enquiries and receiving applications. Some key highlights of the campaign are:

#### Fostering NSW Website

- Nearly 19,000 visits with an average of 5.74 pages viewed per visit with 4:54 minutes per site on average.
- Not only were more people visiting the website, the people were staying longer and reading more.

#### NGO Agency Websites

- An average of 500 visits per month pre campaign to an average of 5,000-8,000 visits per month during the campaign.
- Feedback from NGOs was very positive.

#### 1800 Foster Care Number

- The website was a primary channel for applicants, however, the BSC received 1,337 calls during the campaign.

### Foster Care Recruitment

- From 25 April 2010, 638 applications for Foster Care were received and 66 new carers were recruited.

### Learning Link

Businesslink implemented a new staff development web portal, Learning Link, in January 2010.

The goal of Learning Link is to provide staff with convenient access to information about our business processes and systems using the following formats:

- e-Learning tutorials and simulations;
- Procedure guides;
- Quick reference cards; and
- Weblinks.

To date, Businesslink staff have completed over 1200 learning modules via Learning Link. A formal survey of the e-Learning modules for the SAP Cross Application-Time Sheetting Solution returned very positive results, with over 80% of respondents either agreeing or strongly agreeing with statements like:

- I found it easy to navigate around the e-Learning
- I found it easy to access the materials; and
- The materials helped me to understand and use the new system.

Importantly 92% of respondents said they would like to use Learning Link materials for similar training in the future.

*92% of respondents said they would like to use learning link materials for similar training in the future*



## Summary overview of key performance data for the year

### Reduce Average Sick Leave

Businesslink is committed to achieving the targets established by the Department of Premier and Cabinet under the *Working Together* Program.

This financial year there have been long term health issues for a number of staff which has affected the per capita sick leave across the organisation. The 2009-10 average was 9 days per person.

During 2009-10, there were 37 staff who had sick leave in excess of 20 days. For a majority of staff, average sick leave utilisation was 6.2 days in line with *Working Together* targets.

### Level of Accrued Recreation Leave

Businesslink is committed to managing recreation leave balances to help staff maintain well-being and also to comply with legislative and other requirements. Our target is for all staff to have less than 40 days accrued leave as at 30 June 2010.

As at June 2010 there were 35 staff with greater than 40 days accrued leave. Although this is an increase of 52% from 2008-09 position, Businesslink has steadily progressed in reducing accrued levels by one day per person and has implemented management plans to further reduce levels of accrued leave.

### Price Benchmarking

Competitive pricing is an important part of delivering cost savings to our clients through consolidation and volumes. Benchmarking studies are undertaken to confirm that the fee for service pricing of our products is marketed competitively against a peer group of commercial and Government providers.

In November 2009, Businesslink undertook a study to benchmark product prices, service levels and customer satisfaction results. The general approach used in this study was to gather data from peer organisations representing a mix of other shared service providers and outsource corporate services providers both from the public and private sector.

Benchmarking was undertaken for most key products, which in total comprise around 85% of Businesslink's total forecast revenue in 2009-10.

Of these benchmarked products, around 80% were priced within or below the market range.

### Customer Satisfaction

Businesslink conducts a customer satisfaction survey every 12-18 months. The customer satisfaction surveys identify Client Agency users' perceptions of the quality, timeliness, cost and suitability of Businesslink's services.

The last customer satisfaction survey was held in January 2009. The results of this survey saw our clients' rating of Businesslink move from 'fair' to 'good'. Businesslink's key strategic outcome is to move from 'good' to 'great' by 2012.

The next Businesslink Customer Satisfaction Survey is scheduled for February 2011.



	2004	2005	2006	2007/08	2008/09	2009/10	In Progress
Number of audits	7	5	16	23	26	12	9
Average Score	2.3	3.0	2.8	3.2	3.1	3.2	
Trend in Internal Control <sup>1</sup>							
Improving	N/A	N/A	N/A	N/A	8	3	
Unchanged	N/A	N/A	N/A	N/A	1	1	
Worse	N/A	N/A	N/A	N/A	2	N/A	

## Notes:

- <sup>1</sup> Management Reviews, TPAs and new audits are not included in the trend calculations as they are not assigned a trend value.
- <sup>2</sup> Payroll TPA was issued with a qualified opinion. The report concludes that the control procedures identified were implemented and operated effectively for the period 1 July 2009 to 28 February 2010, except for the matters noted.

## Environmental Performance

Businesslink continues to develop its Waste Reduction and Purchasing Policy.

The organisation has committed itself to a number of waste reduction and environmentally sound initiatives:

- A preferred supplier agreement, resulting in the supply of office paper containing 50 per cent recycled content, and
- The implementation of a comprehensive office recycling program:
  - Recycling of all print cartridges.
  - Recycling of redundant computer related equipment through an external vendor whereby components are stripped and used to rebuild or repair other equipment; and
  - Recycling of cardboard and paper products.

During 2009-10, Businesslink recycled 15.78 tonnes of paper products and 3.79 tonnes of cardboard, resulting in a 63 cubic metre reduction in landfill.

## A greener fleet on the road

The usage of ethanol blended fuel (E10) within Businesslink fleet has exceeded both the 20% target set by the Premier's guidelines, and Businesslink's own 30% target, for 2009-10. On average, the E10 monthly usage was 45.1% for the year. Businesslink has retained the target of 30% for 2010-11. Improved overall Green Fleet Score from 11.3 to 11.8.

## Reducing energy consumption

As part of Businesslink's commitment to reduce energy consumption electricity now comprises 10% green power within the Liverpool Building.

## Project Delivery

During 2009-10, 216 projects were delivered by Businesslink Project Managers. Key projects for the financial year included:

- Liverpool Computer Room Replacement;
- Storage Consolidation and Virtualisation;
- Centralised Data Backup;
- Manage Print Service Pilot for Housing NSW; and

## Audit Ratings

- Target:
  - a. All normal internal audit results were above 3.
  - b. All Third Party Assurance Reviews and External Audit results to be unqualified.
- The table below shows the progress Businesslink has made during this time.

- SAP projects including Cross Application Time Sheet (CATS) for Businesslink; Purchased Leave and Annual Leave notifications; Support Enhancement Packs; and Contract Work Timesheet Automation project for Community Services.

During 2009-10 Project and Property Solutions embarked on a 12 month Business Plan for 2009-10 to improve both return on investment and efficiency. The initiatives, short, medium and long term, aimed to better position the division at the end of 2010 and further improve the foundation for 2011. The strategies of the plan focussed on:

- Improvement in governance, processed and core competencies;
- Investment in right skills, processes and tools; and
- Improvement of source data to provide the right information at the right time.



## *Our People*

The Company does not directly employ any staff. All executive personnel and the majority of operational personnel are engaged by the Company under the terms of its Personnel Supply Agreement with the Department of Human Services. Where required these personnel are supplemented through the engagement of external contractors.

## Management and Structure

The following chart lists our leadership team, including the qualifications and positions held. The chart also includes the group or committee involvement of members of the leadership team. No committees were established or abolished during the year.



### LEADERSHIP TEAM

Name	Albert Olley	John Kobal	Tarun Gauri
Qualifications	BBus, GradDip Applied Corporate Governance	BE, GradDip Applied Computing	MBA, BA Tech, GradDip Marketing Management
Positions held	Acting Chief Executive Chief Financial Officer Director, Commercial Operations & Corporate Governance Company Secretary	Chief Information Officer	Director, Project & Property Solutions
Group and committee involvement	Director, Board of NSW Businesslink Pty Ltd (Chief Executive) Information Management and Technology (IM&T) Board Sub-Committee Member, Client Liaison Group, NSW Businesslink Pty Ltd Audit and Risk Committee, NSW Businesslink Pty Ltd	Member, Client Liaison Group, NSW Businesslink Pty Ltd Member, Chief Information Officer (CIO) Reference Group Member, Information Management and Technology (IM&T) Board Sub-Committee	Member, Client Liaison Group, NSW Businesslink Pty Ltd

**PERFORMANCE & NUMBER OF EXECUTIVES**

Senior Executive Service Positions by level	At 30 June 2007	At 30 June 2008	At 30 June 2009	At 30 June 2010
8	0	0	0	0
7	0	0	0	0
6	0	0	0	0
5	1	1	1	1
4	2	2	2	1
3	3	2	1	1
2	0	0	0	0
1	0	0	0	0
<b>Total</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>3</b>
<b>Positions filled by women</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Unattached staff</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Managing Director's Performance Statement****Pat Richards**

Position: Managing Director, Businesslink

Level: SES 5

<sup>1</sup> Remuneration: \$201,490

Period in position: 1 July 2009 to 8 March 2010

The Director General Department of Human Services has authorised the Chair of the Board of NSW Businesslink Pty Ltd to conduct the performance review of the Chief Executive.

Mr Richards was the Managing Director of Businesslink until 8 March 2010. The Chair, Jan McClelland, has indicated her satisfaction with Mr Richards' performance during his period of employment.

**Albert Olley**

Position: Acting Chief Executive, Businesslink

Level: SES 5

<sup>2</sup> Remuneration: \$233,848

Period in position: 8 March 2010 – 30 June 2010

The Board approved of the temporary appointment of Mr Albert Olley to the position of Acting Managing Director with effect from 8 March 2010. The Director-General of Human Services and the Chair of the Board of NSW Businesslink Pty Ltd have indicated their satisfaction with Mr Olley's performance as Acting Managing Director.

<sup>1</sup> Figure shows actual amount paid to Chief Executive during reporting period.

<sup>2</sup> Figure shows actual amount paid to Chief Executive during reporting period and includes salary paid at substantive grade.

## Human Resources

### Salary Movements

Staff salaries (and wage-related allowances) were increased by 4% for the entire reporting year. This was part of the NSW Government's offer of settlement in relation to the PSA public sector salary claim of 2008 with increases scheduled for July 2010.

### Personnel Policies and Practices

Businesslink has in place a comprehensive Policy Manual in accordance with applicable legislative and NSW Government policy, designed to provide a framework that would allow consistent and equitable management of staff while providing shared services to the Department of Human Services (DHS). With the creation of DHS, new human resource policies will be developed from

*Human Resources:* The table below shows the number of executive officers and employees of the Crown by category during 2009-10 as well as the three prior years.

Category	At 30 June 2007	At 30 June 2008	At 30 June 2009	At 30 June 2010
Chairpersons	1	1	1	1
Clerical Officer	53	43	0	0
Clerk	456	487	557	518
Senior Executive Service	6	5	4	3
Senior Officer	49	47	51	53
<b>Total</b>	<b>565</b>	<b>583</b>	<b>613</b>	<b>589</b>

a whole-of-Department perspective to create consistency across the Department.

### Industrial Relations

A high level of consultation between Businesslink and the Public Service Association (PSA) was maintained during the year.

Businesslink's Industrial Relations (IR) function was actively involved in strategic planning, realigning organisation structures, dispute prevention and monitoring of IR issues across the agency.





## Consultants

The following consultant was engaged by the Company for the purpose described and paid more than \$30,000 in the reporting year:

### CONSULTANCIES OVER \$30,000

Provider	Cost (\$)	Title of Project & Purpose
ProActive Services Pty Ltd	76,300	<p>Service Management Tool Market Scan and Business Case Development</p> <p>Consultant was engaged to undertake high level market investigation, review databases and evaluate various products and advise the Company of suitable products and services that could be utilised to improve operational efficiencies.</p> <p>Subsequently the consultant was engaged to develop a Business Case for implementing Service Management within Businesslink.</p>

### CONSULTANCIES UNDER \$30,000

Consultancy Category	Number of Engagements	Cost of Engagements
Finance and accounting/tax	1	4,680
Total	1	4,680

## Equal Employment Opportunity

Businesslink collects Equal Employment Opportunity (EEO) data regularly for the NSW Department of Premier and Cabinet as part of the NSW Public Sector Workforce Profile. This measures performance in meeting NSW Government benchmarks for staff from EEO minority groups and informs planning and development of EEO initiatives.

The 2010 workforce profile of Businesslink indicated that women represent 53% of all employees with the highest proportion (36%) employed at the salary level \$70,874 to \$91,652 per year.

Men represented 47% of all employees with the highest proportion (33%) also employed at the salary level \$70,874 to \$91,652 per year. The number of women across levels is not evenly distributed with 20% of women represented in the salary ranges of \$91,653 and above, whereas 42% of men are represented in salary ranges above \$91,653.

The proportion of Aboriginal and Torres Strait Islander staff was 0.4%, which is a slight change from last year (0.6%) and below the new benchmark of 2.6% (previously 2.0%).

The proportion of staff whose language first spoken as a child was not English

was 34% (an increase of 2% on the previous year), which significantly exceeds the Government target of 19%.

The proportion of staff with a disability was 7%, with 1.5% of staff requiring workplace adjustment.

As outlined in tables 1 and 2 below, the representation of EEO groups are reasonably represented and distributed within Businesslink. Strategies and programs aimed at reaching benchmarks were developed in 2009-10 for implementation in 2010-11.

**TABLE 1: REPRESENTATION OF EEO GROUPS (AS AT 30 JUNE 2010)**

EEO Group	Benchmark or target	% of total staff				
		2006	2007	2008	2009	2010
Women	50.0%	55.0%	54.0%	54.0%	53.0%	53.0%
Aboriginal people and Torres Strait Islanders	2.6%	0.8%	1.1%	0.6%	0.6%	0.4%
People whose language first as a child was not English	20.0%	29.0%	32.0%	33.0%	32.0%	34.0%
People with a disability	12.0%	9.0%	8.0%	6.0%	6.0%	7.0%
People with a disability requiring work-related adjustment	7.0%	2.1%	1.7%	1.5%	1.5%	1.50%

**TABLE 2: DISTRIBUTION OF EEO GROUPS (AS AT 30 JUNE 2010)**

EEO Group	Benchmark or target	Distribution Index				
		2006	2007	2008	2009	2010
Women	100	86	85	86	89	88
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a	n/a
People whose language first as a child was not English	100	92	94	95	97	94
People with a disability	100	101	100	98	96	95
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a	n/a

### Notes:

Excludes casual staff.

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

### Disability Action Plan

During the previous reporting year (2008-09), Businesslink developed a Disability Action Plan for 2009-12. The Plan was developed in line with DADHC's *Guidelines for disability action planning by NSW Government agencies (September 2008)* and to comply with the *Disability Services Act 1993 (NSW)*. The Plan was designed to demonstrate the organisation's systematic approach to the elimination of barriers affecting clients and staff with disabilities.

### LINKIN programs

During 2009-10 Businesslink progressed significant operational objectives including a major organisational development initiative for our people and benchmarking our performance targets for our business.

**LINK IN** is our Businesslink internal brand. It is a major program of Organisational and Leadership transformation launched on 1 July 2009. The LINK IN program focuses on building a culture that is creative, dynamic and customer focussed.

A number of staff engagement and development strategies were launched in 2009-10 as part of this program and are continuing to be developed, supported and rolled out.

The most senior 60 leaders in Businesslink are participating in a **Leadership Development** Program to increase our creative leadership capacity and improve our business performance.

Each team in the organisation built on our Purpose, Vision and Values by developing their own **Team Charter** which set roles, responsibilities and operating norms for team performance.

An individual/manager assessment tool known as **GOAL** (**G**row **O**utcomes **A**chieve and **L**earn) is focused on leveraging each person's strengths and identifying development needs. Information collected from the June 2009 round of GOAL discussions is informing our strategy for training and development.

This year we enhanced our existing annual people recognition program by adding a team focussed program, known as **APPLAUD**. APPLAUD occurs four times a year to generate an increased level of positive recognition of excellent individual contributions and team performances throughout the year. APPLAUD winners become eligible to be shortlisted for the major annual APPLAUSE awards for the most outstanding individuals and/or teams.

Our **Graduate Program** provides entry level positions targeted at new graduates. It is a two year program and the graduates were placed in four different business units throughout this period. They also received support, coaching and mentoring.

An integral part of our LINK IN rollout is a group drawn from all parts of the organisation, known as **LINK IN Champions**. They voluntarily assist with communications, product design, launch of new initiatives and ongoing support for current activities. They act as positive 'change agents'.



An **Engagement Survey** was conducted in December 2009 to identify the level of engagement experienced by the workforce and also the level of engagement they desired. 63% of the workforce completed the survey.

Results showed 82% know what is expected of them at work and feel a strong sense of contribution and achievement; 84.76% are committed to delivering excellent customer service; and 80% understand and support our purpose, vision and values.

The next survey will be conducted in December 2010.

## Our Commitment to Community

Businesslink is a part of the Australian Red Cross Corporate Blood Donor National Program. The program is designed for corporations and community organisations to help make a commitment to saving lives by donating blood as a team.

Staff members in Liverpool continued to participate in the Blood Bank's Corporate Challenge. Due to the generosity of our blood donors, Businesslink won the Corporate Challenge with 152 donations during 2009.

Businesslink hosted a special visit from Red Cross Blood Service representatives where Albert Olley, Chief Executive, proudly accepted the winners' plaque and certificate for the Liverpool "Club Red" Corporate Challenge on behalf of all donors.

### Salvation Army Christmas Appeal

Every year a small band of volunteer helpers organise the collection of items for The Salvation Army Christmas Appeal. Last year a total of 69 boxes of mixed items of food and toys, were donated by people in Businesslink.

A Certificate of Appreciation was awarded to NSW Businesslink in recognition of valuable contributions to the work of The Salvation Army.

The certificate was accompanied by a thank you letter from Major Reta Brown, Divisional Social Services Secretary of the Greater West Division of The Salvation Army.

## Blood Bank Corporate Challenge



## Cure our Kids Fundraiser



## NAIDOC - National Aboriginal and Islander Day Observance Committee



*"It is encouraging to know that you are so willing to help, so that The Salvation Army can continue caring for, and serving the community, and for this we are truly thankful." – Reta Brown.*

### Cure our Kids Fundraiser

Cure our Kids is a charity set up to improve the quality of life of children with cancer and their families. During July 2009, Businesslink staff ran a week long cake fundraiser to support Cure our Kids. Together with a hamper raffle and the cake fundraiser we raised \$1,255.

### NAIDOC - National Aboriginal and Islander Day Observance Committee

NAIDOC week celebrations are held across Australia each July to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander peoples. NAIDOC Week events provide a privileged opportunity for everyone

to become involved, with the 2009 theme 'Honouring Our Elders, Nurturing Our Youth'.

Businesslink held a NAIDOC celebration on 9 July 2009 where participants were welcomed by an Aboriginal Elder and enjoyed traditional Aboriginal dances performed by students from Ashcroft High School. A number of local Aboriginals also attended the celebration and said they enjoyed it immensely.

Participating in NAIDOC week celebrations is an opportunity for us all to celebrate and deepen our understanding of Aboriginal culture. As one attendee said "These kinds of events do so much to bring understanding of other cultures, we should do more of them."

## Other Reporting

### Code of Conduct

Businesslink has a Code of Conduct and Ethic which states the principles that the workforce of Businesslink are expected to adhere to including our ICARE values. It reflects a commitment to providing Shared Services to Businesslink clients in a transparent, accountable and ethical way. It is also an important part of the integrity with which Businesslink conducts its business.

The Code sets a framework for ethical decision making by establishing a common understanding of the standards of behaviour that is expected of the workforce. The ethical and transparent behaviour of employees, and of the organisations in which they are employed, provides those who deal with Businesslink a clear understanding of the parameters in which the business operates.

The complete Code of Conduct is available at NSW Businesslink's website.

### FOI

#### NSW Freedom of Information Act 1989

During the reporting period there were no requests for information and no requests for notification of or amendments to personal information held under the Act.

#### Government Information (Public Access) Act 2009

*The Government Information (Public Access) Act 2009* will replace the Freedom of Information Act on 1 July 2010. Applications for access to documents under the *Government Information (Public Access) Act 2009* should be accompanied by a \$30 application fee and forwarded to:

The Right to Information Officer  
Locked Bag 7466  
Liverpool BC NSW 1871

### Legal Change

Nil.

### Funds Granted to NGO's (nil)

Businesslink did not make any grants to non-Government community organisations in the reporting period.

### EAPS (nil)

*There is no EAPS to comment upon – one is planned for completion by September 2010.*

### Land Disposal (nil)

No property disposals were made on behalf of Businesslink in the reporting period.

### Heritage Properties (nil)

There are no heritage properties under the care, control or management of Businesslink.

### Overseas Visits

Officer	Dates	Purpose of visit	Destination
Albert Olley	19 Oct 2009 – 06 Nov 2009	Australia and New Zealand School of Government Executive Fellows Program	New Zealand



## Payment of Accounts

### Aged Analysis

The Company closely monitors the payment of accounts to ensure that accounts are paid in accordance with the Treasurer's Directions. As a result no interest was paid due to late payments.

Quarter	Current (within due date) \$'000	Between 1 to 30 days overdue	Between 30 to 60 days overdue	Between 60 to 90 days overdue	More than 90 days overdue
September 2009	3,424	3,630	-	(74)	(464)
December 2009	1,704		-	-	(1,528)
March 2010	1,972		12,708	(42,348)	(1,406)
June 2010	8,655	20,647	-	1,277	12,301

### ACCOUNTS PAID ON TIME

Quarter	Total accounts paid on time		\$'000	Amount not paid on time	Total paid \$'000
	Target %	Actual %		\$'000	
September 2009	98	91	36,509	3,794	40,303
December 2009	98	92	33,095	2,895	35,990
March 2010	98	89	29,046	3,532	32,579
June 2010	98	91	40,479	4,140	44,619
Total Year			139,129	14,361	153,491

## Electronic Service Delivery

Businesslink's recruitment division interacts with not only client agencies and staff but also members of the public (candidates and referees) and NGOs (provision of CrimTrac services). Several improvements to electronic service delivery have been made in this area including:

- The integration of CrimTrac (screening agency) and BizRecruit (e-recruitment system) to provide a streamlined, automated process for undertaking national criminal history record checks. This has reduced manual handling and turnaround time for agencies and NGOs utilising this service; and
- The electronic dissemination of applications and recruitment files to convenors to reduce paper waste, postage costs and reduce time to hire.

In addition, Businesslink is moving from BizRecruit to the State Government e-recruitment system 'Taleo' with the aim of further automating advertising and recruitment processes and improving the service provided to agencies and candidates.



LISTEN | THINK | DO

## *Our Financial Performance*



LINK IN

## Independent Auditor's Report



GPO BOX 12  
Sydney NSW 2001

### INDEPENDENT AUDITOR'S REPORT

#### NSW Businesslink Pty Ltd

To Members of the New South Wales Parliament and Members of NSW Businesslink Pty Ltd

I have audited the accompanying financial statements of NSW Businesslink Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### Auditor's Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 30 June 2010 and its performance for the year ended on that date
  - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

#### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the PF&A Act and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are 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

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

## Independent Auditor's Report

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

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

My opinion does not provide assurance:

- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal controls.

### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical requirements. The PF&A Act further promotes independence by:

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

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 15 October 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.



Jack Kheir  
Director, Financial Audit Services

20 October 2010  
SYDNEY



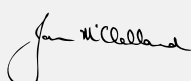
## Adoption of financial statements

1 July 2009 to 30 June 2010

The financial statements of NSW Businesslink Pty Ltd have been prepared in accordance with the statute provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005*, the *Treasurer's Directions*, and the *Corporations Act 2001*.

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, it is recommended that:

The financial statements for the year ended 30 June 2010 be adopted and the Managing Director provide a statement to the effect that in his opinion the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005*, the *Treasurer's Directions* and the *Corporations Act 2001*, and that as at 15 October 2010 he is not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



**Jan McClelland (Board Chair)**

**Director**

15 October 2010

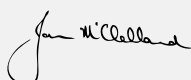
## Statement by the members of the board

for and on behalf of NSW Businesslink Pty Ltd

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, we the members, state that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial performance and financial position of NSW Businesslink Pty Ltd as at 30 June 2010 and transactions for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005*, the *Treasurer's Directions* and the *Corporations Act 2001*.
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board.
4. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

We are not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



**Jan McClelland (Board Chair)**

**Director**

15 October 2010



**Albert Olley**

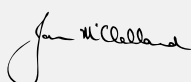
**Managing Director / Chief Executive**

## Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards including Australian Accounting Interpretations, the *Corporations Regulations 2001*, the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulations 2005* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 30 June 2010 and of its performance for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) we are not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

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



**Jan McClelland (Board Chair)**

**Director**

15 October 2010

## Directors' report

The Board of Directors of NSW Businesslink Pty Ltd ("the Company") is pleased to submit this report for the year ended 30 June 2010.

### Operating Result

The Company's (deficit) for the financial year ending 30 June 2010 amounted to (\$1.662) million (2009 – (\$20.332) million).

### Corporate Structure

The Company is a company limited by shares that is incorporated and domiciled in Australia.

### Employees

The Company does not employ any staff, but participates in an agreement for personnel services with the Office of NSWbusinesslink within the Department of Human Services NSW (NSWbusinesslink).

Under the terms of the agreement, staff are employed by NSWbusinesslink under the *Public Sector Employment and Management Act 2002*, with their services being provided to the Company. The Company is required to pay NSWbusinesslink by way of fees for the services, an amount equivalent to all employee related costs and all employment administration costs.

### Review of operations

The Company derived revenue of \$188.574 million (2009 - \$166.417 million) from the provision of services to its clients during the year.

### Segment reporting

The Company operates solely within the government sector and its business is entirely based in the State of New South Wales.

### Significant changes in the state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

### Principal activities

The principal activities of the Company during the year were the provision of

shared services to clients, further details of which are set out in this report. Each of the Company's clients have signed a Service Partnership Agreement (SPA) for the exclusive provision of designated corporate services. All SPAs provide for the continuance of the contract where neither party has indicated an intention to withdraw from the agreement. Six months notice is required by either party should they wish to withdraw from the agreement. At the date of this report no party has indicated their intention to withdraw.

On 27 July 2009 the Public Sector Employment and Management (Departmental Amalgamations) Order published in the Government Gazette of the State of New South Wales Number 108 created the Department of Human Services comprising the three existing client agencies and three new agencies – Juvenile Justice, Aboriginal Affairs and Aboriginal Housing Office. This change was effective from 1 July 2009.

The Personnel Supply Agreement has changed the resource provider from the Department of Commerce to the Department of Human Services. The Company's revenue generating model is a unitised product Fee for Service model whereby prices are reviewed periodically as agreed with the clients so as to achieve a sustainable not-for-profit business.

### Future Developments

As a result of the creation of the Department of Human Services, the organisation structure of the Company will be reviewed to align to the new service relationships. Changes will include the development and implementation of Service Management.

### Matters subsequent to the end of the financial year

There has not been any matter or circumstance occurring subsequent to the end of the financial year that will affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### Environmental Issues

The Company is committed to conducting its business activities with respect for the environment and is committed to achieving a level of environmental performance, which meets or exceeds regulatory requirements, to improve its use of natural resources and to minimise waste, while continuing to meet expectations of its stakeholders. The Directors are not aware of any material breaches of environmental regulations during the year.

### Dividends

No dividends have been paid, declared or recommended since the start of the financial year.

### Options

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

### Issue of Shares

The Company has four shareholders each holding 10 fully paid ordinary shares. The four shareholders are the Minister for Housing; the Treasurer of NSW; the Minister for Community Services; the Minister for Ageing and the Minister for Disability Services.

### Directors' Benefits

Since the end of the previous financial year no Director of the company has received a benefit directly, or indirectly from the Company other than as mentioned in Note 20 to the Financial Statements. Mr Pat Richards, as Managing Director of the Company, Mr Albert Olley as Managing Director and Ms Jan McClelland, as Board Chair of the Company received a salary from NSWbusinesslink, which is regarded as normal for such an appointment.

### Indemnification and insurance of Directors and Officers

A premium has been paid by the Company in respect of a contract of insurance relating to liability to Directors and officers of the Company. In accordance with normal commercial practice the premium amount and the nature of the insured liabilities has not been disclosed in the financial statements.

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, for an officer or auditor of the Company.

If the Company is not able to meet its debts and liabilities as they become due and payable due to unforeseen circumstances or timing, the State of NSW has committed that once all reasonable alternative options to redress the situation have been exhausted it will provide funds or facilities to the Company sufficient to ensure the Company is able to meet its debts as and when they become due and payable.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

### Directors

The names of the Company's Directors in office during the financial year and until the date of this report are set out in the Annual Report and are also reported below.

The directors held office during the whole of the financial year and since the end of the financial year, except for:

- Mr Pat Richards – resigned 8 March 2010
- Mr Albert Olley – appointed 8 March 2010

### Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2010, and the numbers of meetings attended by each director while they were a director or committee member were:

#### MEETINGS OF COMMITTEES

	Board		Audit & Risk		IM&T		Client Liaison	
	A	B	A	B	A	B	A	B
Ms Jan McClelland (Board Chair)	7	7	4	4	-	-	-	-
Ms Jennifer Mason	7	7	-	-	-	-	-	-
Mr Jim Moore	6	7	4	4	-	-	-	-
Mr Mike Allen	7	7	-	-	-	-	-	-
Mr Albert Olley	2	2	1	1	-	-	3	3
Mr Pat Richards	5	5	2	3	2	2	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was an invited member of the committee during the year

Note 1 – The Audit and Risk Committee has an Independent Chair and an independent committee member. The Committee saw the appointment of a new Independent Chair on 1 April 2010.

Note 2 – Mr Moore is the only Director that is a member of the Audit and Risk Committee

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to this Report.

### Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report and the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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



**Albert Olley**  
Director

Sydney  
15 October 2010

## START OF AUDITED FINANCIAL STATEMENTS

**Statement of Comprehensive Income**

For the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Continuing operations</b>			
Revenue	3	<b>188,574</b>	166,417
Other income	4	<b>1,103</b>	699
Fee for personnel services		<b>(61,133)</b>	(73,257)
Depreciation and amortisation expense	8,9	<b>(15,244)</b>	(12,415)
Contractors expense		<b>(65,679)</b>	(57,334)
Consultants expense		<b>(81)</b>	(41)
Training and development expense		<b>(647)</b>	(723)
Rent expense		<b>(3,973)</b>	(3,884)
Building maintenance and utilities expense		<b>(1,129)</b>	(1,076)
Motor vehicle expenses		<b>(208)</b>	(205)
Assets written off due to obsolescence		<b>(85)</b>	(79)
Printing, postage and stationery expense		<b>(1,394)</b>	(1,419)
Telecommunication expense		<b>(11,144)</b>	(9,071)
Information Technology		<b>(26,487)</b>	(20,828)
Auditor's remuneration	19	<b>(136)</b>	(136)
Project materials		<b>(1,928)</b>	(5,019)
Impairment of receivables		<b>(9)</b>	-
Other expenses		<b>(1,386)</b>	(1,389)
Finance costs		<b>(676)</b>	(572)
<b>Surplus/(Deficit) for the year</b>		<b>(1,662)</b>	<b>(20,332)</b>
<b>Other comprehensive income for the year</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>(1,662)</b>	<b>(20,332)</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.



## Statement of Financial Position

as at 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	16,629	6,984
Trade and other receivables	6	17,671	14,108
Other current assets	7	2,485	1,461
<b>Total current assets</b>		<b>36,785</b>	<b>22,553</b>
<b>Non current assets</b>			
Plant and equipment	8	14,025	15,941
Intangible assets	9	36,470	26,644
<b>Total non-current assets</b>		<b>50,495</b>	<b>42,585</b>
<b>Total assets</b>		<b>87,280</b>	<b>65,138</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	72,795	49,078
Provisions	12	115	-
Borrowings	11	12,754	8,300
<b>Total current liabilities</b>		<b>85,664</b>	<b>57,378</b>
<b>Non current liabilities</b>			
Provisions	12	630	680
Borrowings	13	-	4,432
<b>Total non-current liabilities</b>		<b>630</b>	<b>5,112</b>
<b>Total liabilities</b>		<b>86,294</b>	<b>62,490</b>
<b>Net assets</b>		<b>986</b>	<b>2,648</b>
<b>EQUITY</b>			
Contributed equity	14	-	-
Accumulated funds	15	986	2,648
<b>Total equity</b>		<b>986</b>	<b>2,648</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

for the year ended 30 June 2010

	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 July 2008</b>	<b>15,633</b>	<b>15,633</b>
Surplus/(Deficit) for the year	(20,332)	(20,332)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(20,332)</b>	<b>(20,332)</b>
<b>Transactions with owners in their capacity as owners</b>		
Transfer as part of owners equity contribution	7,347	7,347
<b>Balance at 30 June 2009</b>	<b>2,648</b>	<b>2,648</b>
<b>Balance at 1 July 2009</b>	<b>2,648</b>	<b>2,648</b>
Surplus/(Deficit) for the year	(1,662)	(1,662)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(1,662)</b>	<b>(1,662)</b>
<b>Transactions with owners in their capacity as owners</b>		
Transfer as part of owners equity contribution	-	-
<b>Balance at 30 June 2010</b>	<b>986</b>	<b>986</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

for the year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Cash flows from operating activities</b>			
Fees for services		219,965	203,740
Interest received		197	343
Payment for services from NSWbusinesslink		(57,966)	(55,962)
Payments to suppliers		(133,483)	(133,155)
Finance costs		(568)	(971)
<b>Net cash flows from operating activities</b>	<b>18</b>	<b>28,145</b>	<b>13,995</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment and intangibles		(18,790)	(18,737)
Proceeds from sale of plant and equipment		290	131
<b>Net cash (used in) from investing activities</b>		<b>(18,500)</b>	<b>(18,606)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	(1,000)
<b>Net cash (used in) from financing activities</b>		<b>-</b>	<b>(1,000)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>9,645</b>	<b>(5,611)</b>
Cash and cash equivalents at the beginning of the financial year		6,984	12,595
<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>16,629</b>	<b>6,984</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the financial statements

30 June 2010

### Note 1 – Summary of significant accounting policies

#### (a) Reporting Entity

NSW Businesslink Pty Ltd ("the Company") is a Company limited by shares and as a reporting entity comprises all the operating activities under its control. The Company provides corporate services to Housing NSW, Community Services, Ageing, Disability and Home Care, Service, Technology and Administration, Juvenile Justice and the State Property Authority.

The Company does not employ any staff, but participates in an agreement for personnel services with the Office of NSWbusinesslink (NSWbusinesslink) within the Department of Human Services NSW (previously the Department of Commerce).

The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The financial statements for the year ended 30 June 2010 have been authorised for issue by the Board of Directors on 15 October 2010.

#### (b) Basis of preparation

The financial statements of the Company are general purpose financial statements prepared on an accruals basis and in accordance with applicable Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Corporations Act 2001*, the requirements of the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010.

Where there are inconsistencies between these requirements, the Australian Accounting Standards have prevailed.

Except for certain assets and liabilities, which are measured at fair value as noted, the financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian dollars. Unless otherwise noted, accounting policies are consistent with those of the previous year.

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

#### Early adoption of standards

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and adopted by the Company in accordance with Treasury's mandate:

- AASB 9 and AASB 2009-11 regarding financial instruments	Effective for annual reporting periods beginning on or after 1 January 2013
- AASB 2009-5 regarding annual improvements	Effective for annual reporting periods beginning on or after 1 January 2010
- AASB 2009-8 regarding share based payments	Effective for annual reporting periods beginning on or after 1 January 2010
- AASB 2009-9 regarding first time adoption	Effective for annual reporting periods beginning on or after 1 January 2010
- AASB 2009-10 regarding classification of rights	Effective for annual reporting periods beginning on or after 1 February 2010
- AASB 124 and AASB 2009-12 regarding related party transactions	Effective for annual reporting periods beginning on or after 1 January 2011
- Interpretation 19 and AASB 2009-13 regarding extinguishing financial liability with equity instruments	Effective for annual reporting periods beginning on or after 1 July 2010
- AASB 2009-14 regarding prepayments of a minimum funding requirement	Effective for annual reporting periods beginning on or after 1 January 2011
- AASB 2010-1 regarding AASB 7 comparatives for first time adopters	Effective for annual reporting periods beginning on or after 1 July 2010

The majority of the standards above are not applicable to the Company and where they are applicable they will not have a material impact on the Company.



*Going Concern*

There are no concerns regarding the ongoing viability of the company as a going concern.

Assessment of the ongoing viability of the company from a current ratio context needs to take into account the influence of the current payable by the Company to NSWbusinesslink for personnel services (Note 10). The majority of the payable relates to employee entitlements (superannuation and leave) which are not payable in the short term by NSW Businesslink. This liability is classified as current since the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period (AASB 101 Para 69(d)).

As a contingency, the NSW State Government issued a Letter of Comfort on 1 June 2004 guaranteeing that it will, if necessary, provide funds or facilities to enable the Company to meet its debts as and when they become due and payable.

*Statement of Compliance*

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

**(c) Not-for-Profit Status**

The Company has done an internal analysis of its classification as a "for profit" or "not for profit" entity. Based on this analysis the Company deems that it is a "not for profit" entity. The factors taken into account when determining the status of the Company were:

- statements about the objectives of the Company in its legislation, regulations, constitution, shareholder resolutions, Ministerial directions and government policy statements;
- the governance framework imposed on the Company by owners;
- the purpose, nature and extent of funding provided by owners;
- the targeted financial performance of the Company.

The Shareholders, inclusive of the Treasurer of NSW have agreed with the above classification.

Notwithstanding the Company's "not for profit status" we have elected to disclose Related Party transactions as they relate to the Company's shareholders and directors and Treasury. Only transactions directly with the Company have been disclosed.

**(d) Cash and cash equivalents**

Cash and cash equivalents are cash on hand and at bank.

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank.

**(e) Trade and Other Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value, based on the original invoice. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment. Any changes are recognised in the surplus/(deficit) for the year when impaired, derecognised or through the amortisation process. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Debts which are known to be uncollectible are written off as identified.

**(f) Plant and equipment****Acquisition of Assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Company. 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 attributable 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.

See also assets transferred as a result of an equity transfer – Note 1(q).

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

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

**Cost and valuation**

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

Plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment.

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

Most of the Company's assets (hardware, equipment, motor vehicles and furniture) are non specialised with short useful lives and are therefore measured at depreciated historical cost, which equates to fair value. The capitalisation threshold is \$5,000 for physical non-current assets and \$1,000 for computer equipment.

### Depreciation

Depreciation is calculated on a straight line basis so as to write off the depreciable amount of each asset over its estimated useful life. Leasehold improvements are depreciated over the period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Estimations on remaining useful lives are made on an annual basis. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. The expected useful lives are:

### EXPECTED USEFUL LIVES

	2010	2009
Office equipment	5 years	5 years
Office furniture	4 to 5 years	4 to 5 years
Computer equipment	4 years	4 years
Motor vehicles	7 years	7 years
Leasehold improvements	Term of Lease	Term of Lease

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, the Company is

effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

### (g) Intangible assets

The Company recognises intangible assets only if it is probable that future economic benefits will flow to the Company 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 at the date of acquisition. The capitalisation threshold for intangible assets is \$5,000.

All research costs are expensed in the statement of comprehensive income. Development costs are only capitalised when the Company intends to use the asset to generate future economic benefits for the entity.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the company's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Company's intangible assets are amortised using the straight line method. During the year the Company reassessed the useful lives of its intangible assets to determine the appropriate amortisation rates for these assets. The review indicated the following useful lives

Asset Class	2010	2009
Assets Under Construction	-	-
Software	2 to 5 years	2 to 5 years
Internally Generated Asset	3 to 11 years	3 to 7 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.

### (h) Leases

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at its fair value, or if lower at the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are recognised as an expense in the statement of comprehensive income which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus

space under non cancellable lease agreements is expensed in the period in which the space becomes surplus.

### (i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. The amounts are unsecured and usually paid within 30 days of recognition.

### (j) Provisions

The Company has no employees and therefore has no employee related provisions.

Other provisions are recognised when the Company has a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events

and such future sacrifice of economic benefits is probable and the amount can be measured reliably.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised in finance costs.

Provisions relate to Make Good costs on the Company's leased office premises. The provision is calculated using an average rate of \$110.00 per square metre for office accommodation assets and \$150.00 per square metre for IT related assets indexed for inflation using the budget rate of 2.5% and discounted to present value using an interest rate reflective of the relevant time period.

#### **(k) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The Company recognises borrowing costs as an expense in the period in which it is incurred.

#### **(l) Revenue recognition**

Revenue is measured at the fair value of the consideration or contribution received or receivable.

Revenue from rendering of services is recognised when the service is provided.

Revenue is recognised when the Company has received or has the right to receive inflows of economic benefits, and the right to receive them is probable and can be reliably measured. Interest revenue is recognised as it accrues, using the effective interest method.

Grants from government are recognised as revenue when the Company obtains control over the assets comprising the grant. Control over the contributions is normally obtained upon the receipt of the cash provided there are no conditions attached.

#### **(m) Income tax**

When incorporated, NSW Businesslink Pty Ltd was granted tax exemption by Treasury under the Tax Equivalent Regime (TER). As at balance date the Company continues to be exempt from the TER.

#### **(n) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST receivable or payable. The net GST recoverable from, or payable to, the taxation authority is included within other receivables or payables in the statement of financial position.

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 ATO are classified as operating cash flows.

#### **(o) Change in Accounting estimates**

##### **Intangibles**

During the financial year the Directors assessed the useful life of certain items of intangible assets focusing principally on the internally generated assets of the Company. The reassessment indicated a reduction in the economic benefits

to be derived by the Company. The financial effect of this reassessment, assuming the assets are held until the end of their estimate useful lives, is to decrease consolidated amortisation expense in the current financial year by \$0.107m. In the prior year similar changes had an impact of \$0.025m.

#### **(p) Work in Progress – project services**

Revenue for project services is recognised on a percentage of completion basis. The costs incurred on project services up to the reporting date are known and recognised by reference to the stage of completion. Expenditure incurred but not yet invoiced is reported as Projects Work in Progress within Other Current Assets in the statement of financial position as the future income can be reliably measured. However, expenditure on projects, which are in the initial phase, are recognised directly in the profit and loss, as the future income streams cannot be reliably determined. Also on projects whereby losses are expected to be incurred these amounts when known are recognised directly in the statement of comprehensive income.

#### **(q) Equity Transfers**

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the Company recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Company does not recognise that asset.

**(r) Equity – Accumulated Funds**

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

**(s) De-recognition of Financial Assets and Financial Liabilities**

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

- Where substantially all the risks and rewards have been transferred or

- Where the Company has not transferred substantially all the risks and rewards, if the entity has not retained control.

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

A financial liability is derecognised when the obligation specified in

the contract is discharged or cancelled or expires.

**(t) Rounding of amounts**

The Company is of a kind referred to in Class order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

## Note 2 – Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk) credit risk and liquidity risk. The Company's overall risk management program focuses on each of these risks and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the heads of each central department for each specified risk under policies approved by the Board of Directors. The Board provides written principles on overall operational risk management, as well as specific policies relating to each financial instrument risk which are documented below.

The Company holds the following financial instruments. Statutory assets or liabilities that are not contractual (e.g. taxes, GST) as well as prepayments and unearned revenue are not financial liabilities or assets. Therefore, they are excluded from AASB 7.

	Note	Category	2010 \$'000	2009 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	5	N/A	16,629	6,984
Trade and other Receivables	6	Loans and receivables (at amortised cost)	13,585	9,681
<b>Total financial assets</b>			<b>30,214</b>	16,665
<b>Financial Liabilities</b>				
Trade and other payables	10	Financial liabilities measured at amortised cost	71,751	45,096
NSW Treasury Corporation Loans	11,13	Financial liabilities measured at amortised cost	12,754	12,732
<b>Total financial liabilities</b>			<b>84,505</b>	57,828

**(a) Market risk***(i) Foreign currency risk*

The Company only operates domestically and is not exposed to foreign exchange risk.

*(ii) Price risk*

The Company is indirectly exposed to equity securities price risk. This arises from investments held by the Superannuation Board and affects the valuation of the Superannuation asset or liability classified on the statement of financial position of NSWbusinesslink. The movement in equity securities and other investments is reflected in the Fee for Personnel Services charged to the company from NSWbusinesslink through the Personnel Supply Agreement.

To manage its price risk arising from investments in equity securities, the Superannuation Board diversifies its portfolio.

Over 50% of the Board's equity investments are in Australian or overseas equities. Approximately 10% of its investments are in Australian or overseas fixed interest securities whilst 10% is in property, 10% in cash and a further 13% in other investments.



*(iii) Interest rate risk*

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Company's main interest rate risk arises from short term borrowings. Borrowings issued at variable rates expose the Company to cash flow

interest rate risk. The Company is limited in its ability to manage these risks due to the fact that the Company can only borrow in the form of T-Corp facilities given that it is a government entity. Interest rates on these facilities are determined by the government and are typically in line with market rates.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. The consideration is done on a quarterly basis to verify that the maximum loss potential is within the limit given by the management.

**At balance date, the Company had the following mix of financial assets and liabilities.**

**2010**

	Weighted Average Effective Rate  %	Floating	Fixed interest rate			Non-interest Bearing  \$'000	Total  \$'000
		Interest Rate	Within 1 year	1 to 5 years	Over 5 years		
		\$'000	\$'000	\$'000	\$'000		
Financial assets							
Cash and cash equivalents	3.86	16,622	-	-	-	7	16,629
Trade and other receivables	-	-	-	-	-	13,585	13,585
<b>Total financial assets</b>		<b>16,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,592</b>	<b>30,214</b>
Financial liabilities							
Trade and other payables	-	-	-	-	-	71,751	71,751
Commercial loan	4.70	3,650	-	-	-	-	3,650
Commercial loan	4.98	4,650	-	-	-	-	4,650
Commercial loan	7.00	-	4,454	-	-	-	4,454
<b>Total financial liabilities</b>		<b>8,300</b>	<b>4,454</b>	<b>-</b>	<b>-</b>	<b>71,751</b>	<b>84,505</b>

**2009**

	Weighted Average Effective Rate  %	Floating	Fixed interest rate			Non-interest Bearing  \$'000	Total  \$'000
		Interest Rate	Within 1 year	1 to 5 years	Over 5 years		
		\$'000	\$'000	\$'000	\$'000		
Financial assets							
Cash and cash equivalents	2.38	6,978	-	-	-	6	6,984
Trade and other receivables	-	-	-	-	-	9,681	9,681
<b>Total financial assets</b>		<b>6,978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,687</b>	<b>16,665</b>
Financial liabilities							
Trade and other payables	-	-	-	-	-	45,096	45,096
Commercial loan	3.20	3,650	-	-	-	-	3,650
Commercial loan	2.95	4,650	-	-	-	-	4,650
Commercial loan	7.00	-	-	4,432	-	-	4,432
<b>Total financial liabilities</b>		<b>8,300</b>	<b>-</b>	<b>4,432</b>	<b>-</b>	<b>45,096</b>	<b>57,828</b>

*(iv) Summarised sensitivity analysis*

At 30 June 2010, if interest rates had changed by +/-1.0% from the year-end cash rates of 3.86% and year-end borrowing rates of 4.70 to 7% with all other variables held constant, post-tax profit for the year would have been effected by +/- \$0.038 million (2009: \$0.029 million lower), mainly as a result of increased income from cash and cash equivalents offset with the higher expense from the Company's borrowings. The sensitivity analysis has been based on the indicative mid-rates quoted on the RBA website for selected Commonwealth Government securities. Last year the Company was of the opinion that there was little if any likelihood of a reduction in interest rates and hence only provided sensitivity analysis on an increase in interest rates. The following table summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk.

**30 JUNE 2010**

Carrying amount \$'000	-1.0% Interest rate risk		+1.0% Interest rate risk	
	Surplus/(Deficit) \$'000	Equity \$'000	Surplus/(Deficit) \$'000	Equity \$'000
<b>Financial assets</b>				
Cash and cash equivalents	16,629	(166)	166	166
Trade and other receivables	13,585	-	-	-
<b>Financial liabilities</b>				
Trade and other payables	71,751	-	-	-
Borrowings	12,754	128	(128)	(128)
<b>Total increase/(decrease)</b>		(38)	38	38

**30 JUNE 2009**

Carrying amount \$'000	-0.5% Interest rate risk		+0.5% Interest rate risk	
	Surplus/(Deficit) \$'000	Equity \$'000	Surplus/(Deficit) \$'000	Equity \$'000
<b>Financial assets</b>				
Cash and cash equivalents	6,984	-	35	35
Trade and other receivables	9,681	-	-	-
<b>Financial liabilities</b>				
Trade and other payables	45,096	-	-	-
Borrowings	12,732	-	(64)	(64)
<b>Total increase/(decrease)</b>		-	(29)	(29)

**(b) Credit risk**

Credit risk arises when there is a possibility that the Company's debtors will default on their contractual obligations, resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to external customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors are reviewed on an ongoing basis. Refer to Note 6 for ageing of past due

debtors. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Company's exposure to credit risk on its receivables is considered minimal because of the nature of

its customers – being principally government bodies and agencies. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

Credit risk further arises in relation to financial guarantees given to certain parties. The Company has given no such guarantees. If such a guarantee were given it would only be provided in exceptional circumstances and subject to specific board approval.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. Prudent liquidity risk management

implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The Company continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The majority of the income derived by the Company is from other government agencies on a fee for service arrangement. Capital expenditure and maintenance commitments are in part factored into the fee for service to ensure that such costs are recouped for the

purposes of meeting its working capital costs. Such matters are reviewed in the bi-annual price reviews held with customers with any necessary revisions to prices made as appropriate.

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

In addition, a letter of guarantee exists between the Company and the State of NSW whereby if the Company is unable to meet its debts and liabilities as they become due

and payable due to unforeseen circumstances or timing the State of NSW has committed that once all reasonable alternative options to redress the situation have been exhausted it will provide funds or facilities to the Company to ensure the Company is able to meet its obligations.

Prudent guidelines have been established by the Company to allow for no more than 30% of total face value of debt to mature in any one financial year. All breaches of prudential limits are to be reported to the Managing Director immediately and to the Board monthly for ratification of action proposed or undertaken.

#### FORECAST LIQUIDITY RESERVE AS OF 30 JUNE 2010 IS AS FOLLOWS:

	30 June 2010 Actual \$'000	2011-2014 Forecast \$'000
Opening balance for the period	6,984	16,629
Operating proceeds	220,162	862,140
Operating outflows	(192,017)	(765,964)
Cash outflows for plant and equipment	(18,790)	(100,841)
Proceeds from sale of plant and equipment	290	-
Financing proceeds	-	11,000
Payments of debts and dividends	-	(5,200)
Closing balance for the period	16,629	17,764

#### Maturity of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. There are no maturities in excess of two years.

#### AT 30 JUNE 2010

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Total \$'000
Trade and other payables	71,751	-	-	71,751
Commercial loans	3,822	-	-	3,822
Commercial loans	4,882	-	-	4,882
Commercial loans	4,644	-	-	4,644

#### AT 30 JUNE 2009

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Total \$'000
Trade and other payables	45,096	-	-	45,096
Commercial loans	3,767	-	-	3,767
Commercial loans	4,787	-	-	4,787
Commercial loans	314	4,644	-	4,958

The Company has access to the following line of credit with Westpac Bank:

	2010	2009
	\$'000	\$'000
Tape Negotiation Authority	3,000	3,000

This facility was unused as of 30 June 2010 and 30 June 2009.

#### **Fair value**

Financial instruments are generally recognised at cost except where specified below. 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.

### **Note 3 – Revenue**

	2010	2009
	\$'000	\$'000
<i>Fees for Services</i>		
Housing NSW	38,034	38,005
Community Services	51,659	50,428
Ageing, Disability and Home Care	87,307	75,099
Juvenile Justice	3,735	-
Aboriginal Housing Office	10	-
Department of Human Services	547	-
Service, Technology and Administration	2,106	2,358
State Property Authority	833	527
Department of Education and Training	4,343	-
	188,574	166,417

**Note 4 - Other income**

	2010	2009
	\$'000	\$'000
Interest earned	197	297
GST refund	-	-
Rental income	432	211
Criminal records	166	-
Sundry income	308	191
	<b>1,103</b>	699

**Note 5 - Current assets - Cash and cash equivalents**

	2010	2009
	\$'000	\$'000
Cash at bank and on hand	16,629	6,984
	<b>16,629</b>	6,984

Cash and cash equivalents 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)	16,629	6,984
Closing cash and cash equivalents (per Statement of Cash Flows)	16,629	6,984

**(a) Interest rate risk exposure**

The Company's exposure to interest rate risk is discussed in Note 2.



## Note 6 – Current assets – Trade and other receivables

	2010	2009
	\$'000	\$'000
Trade receivables	411	81
Receivables from related parties	13,183	9,600
Allowance for impairment of receivables	(9)	-
	13,585	9,681
Interest Receivable	-	-
Prepayments	4,086	4,427
GST Receivable	-	-
	17,671	14,108

### (a) Impaired trade receivables

As at 30 June 2010 current trade receivables of the Company with a nominal value of \$0.009 million (2009: \$NIL) were impaired. The amount of the provision was \$0.009 million (2009: \$NIL).

As of 30 June 2010, trade receivables of \$0.598 million (2009: \$0.700 million) were past due but not impaired. These relate to a number of other government entities for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2010	2009
	\$'000	\$'000
Less than 3 months	406	698
3 to 6 months	192	2
Over 6 months	-	-

The ageing analysis excludes statutory receivables as these are not financial assets.

Movements in the allowance for impairment of receivables are as follows:

	2010	2009
	\$'000	\$'000
At 1 July	-	-
Increase/(decrease) in allowance recognised in surplus/(deficit)	9	-
Receivables written off during the year as uncollectible	-	-
Amounts recovered during the year	-	-
Balance as at 30 June	(9)	-

The creation and release of the allowance for impaired receivables is separately disclosed in the Statement of Comprehensive Income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

Further details regarding the Company's exposure to credit risk is discussed in Note 2.

## Note 7 – Current assets Other current assets

	2010	2009
	\$'000	\$'000
Work in progress - Projects Services	2,485	1,461
	2,485	1,461

## Note 8 – Non current assets – Plant and equipment

	Office furniture	Office equipment	Motor vehicles	Leasehold improvements	Computer equipment	Total
At 1 July 2009	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value	188	759	1,049	6,950	29,641	38,587
Accumulated depreciation	(153)	(191)	(185)	(5,525)	(16,592)	(22,646)
Net carrying amount	35	568	864	1,425	13,049	15,941
<b>At 30 June 2010</b>						
Gross value	193	1,183	1,279	6,978	30,290	39,923
Accumulated depreciation	(185)	(348)	(204)	(6,541)	(18,620)	(25,898)
Net carrying amount	8	835	1,075	437	11,670	14,025
<b>Year ended 30 June 2010</b>						
Opening net carrying amount	35	568	864	1,425	13,049	15,941
Additions	5	424	666	-	3,523	4,618
Make good asset (Refer Note 12)	-	-	-	28	-	28
Disposals	-	-	(311)	-	(78)	(389)
Assets written off	-	-	-	-	-	-
Transfers from Intangibles	-	-	-	-	100	100
Depreciation charge	(32)	(157)	(144)	(1,016)	(4,924)	(6,273)
Closing net carrying amount	8	835	1,075	437	11,670	14,025
<b>Year ended 30 June 2010</b>						
Opening accumulated depreciation	(153)	(191)	(185)	(5,525)	(16,592)	(22,646)
Depreciation charge	(32)	(157)	(144)	(1,016)	(4,924)	(6,273)
Disposals	-	-	125	-	2,896	3,021
Assets written off	-	-	-	-	-	-
Closing accumulated depreciation	(185)	(348)	(204)	(6,541)	(18,620)	(25,898)

	Office furniture \$'000	Office equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Computer equipment \$'000	Total \$'000
<b>At 1 July 2008</b>						
Gross value	188	1,094	1,097	6,779	22,288	31,446
Accumulated depreciation	(100)	(630)	(127)	(4,441)	(12,702)	(18,000)
Net carrying amount	88	464	970	2,338	9,586	13,446

<b>At 30 June 2009</b>						
Gross value	188	759	1,049	6,950	29,641	38,587
Accumulated depreciation	(153)	(191)	(185)	(5,525)	(16,592)	(22,646)
Net carrying amount	35	568	864	1,425	13,049	15,941

<b>Year ended 30 June 2009</b>						
Opening net carrying amount	88	464	970	2,338	9,586	13,446
Additions	-	256	292	-	6,068	6,616
Make good asset (Refer Note 12)	-	-	-	96	-	96
Disposals	-	-	(250)	-	-	(250)
Assets written off	-	(6)	-	-	(5)	(11)
Transfers from Intangibles	-	-	-	-	1,784	1,784
Depreciation charge	(53)	(146)	(148)	(1,009)	(4,384)	(5,740)
Closing net carrying amount	35	568	864	1,425	13,049	15,941

<b>Year ended 30 June 2009</b>						
Opening accumulated depreciation	(100)	(630)	(127)	(4,441)	(12,702)	(18,000)
Depreciation charge	(53)	(146)	(148)	(1,009)	(4,384)	(5,740)
Disposals	-	585	90	(75)	494	1,094
Assets written off	-	-	-	-	-	-
Closing accumulated depreciation	(153)	(191)	(185)	(5,525)	(16,592)	(22,646)

	2010 \$'000	2009 \$'000
Proceeds from Sale	290	131
Less Written Down Value	(318)	(156)
Gain/(Loss) on Sale	(28)	(25)

## Note 9 – Non current assets – Intangible assets

	Software \$'000	Assets under construction \$'000	Internally generated asset \$'000	Total \$'000
<b>At 1 July 2009</b>				
Cost (Gross Value)	12,758	11,955	22,987	47,700
Accumulated Amortisation	(5,649)	-	(15,407)	(21,056)
Net carrying amount	7,109	11,955	7,580	26,644
<b>At 30 June 2010</b>				
Cost (Gross Value)	16,065	12,630	36,872	65,567
Accumulated Amortisation	(7,525)	-	(21,572)	(29,097)
Net carrying amount	8,540	12,630	15,300	36,470
<b>Year ended 30 June 2010</b>				
Opening net carrying amount	7,109	11,955	7,580	26,644
Additions	3,838	15,066	-	18,904
Disposals	-	-	(7)	(7)
Transfers between classes	-	(14,291)	14,291	-
Transfer to Property plant & equipment	-	(100)	-	(100)
Amortisation charge	(2,407)	-	(6,564)	(8,971)
Closing net carrying amount	8,540	12,630	15,300	36,470
<b>Year ended 30 June 2010</b>				
Opening accumulation amortisation	(5,649)	-	(15,407)	(21,056)
Amortisation charge	(2,407)	-	(6,564)	(8,971)
Disposals	531	-	399	930
Assets written off	-	-	-	-
Closing accumulated amortisation	(7,525)	-	(21,572)	(29,097)



<b>At 1 July 2008</b>	<b>Software \$'000</b>	<b>Assets under construction \$'000</b>	<b>Internally generated assets \$'000</b>	<b>Total \$'000</b>
Cost (Gross value)	10,189	2,145	26,769	39,103
Accumulated amortisation	(4,440)	-	(18,491)	(22,931)
Net carrying amount	5,749	2,145	8,278	16,172

<b>At 30 June 2009</b>				
Cost (Gross Value)	12,758	11,955	22,987	47,700
Accumulated Amortisation	(5,649)	-	(15,407)	(21,056)
Net carrying amount	7,109	11,955	7,580	26,644

<b>Year ended 30 June 2009</b>				
Opening net carrying amount	5,749	2,145	8,278	16,172
Additions	2,826	16,205	-	19,031
Disposals	(7)	-	(93)	(100)
Transfers between classes	7	(4,611)	4,604	-
Transfer to Property, plant and equipment	-	(1,784)	-	(1,784)
Amortisation charge	(1,466)	-	(5,209)	(6,675)
Closing net carrying amount	7,109	11,955	7,580	26,644

<b>Year ended 30 June 2009</b>				
Opening accumulation amortisation	(4,440)	-	(18,491)	(22,931)
Amortisation charge	(1,466)	-	(5,209)	(6,675)
Assets written off	-	-	-	-
Disposals	257	-	8,293	8,550
Closing net carrying amount	(5,649)	-	(15,407)	(21,056)

**Note 10 – Current liabilities – Trade and Other Payables**

	2010	2009
	\$'000	\$'000
Creditors – trade	8,689	345
Creditors – related parties	139	-
Unearned income – projects	758	3,606
GST Payable	286	376
Accrued operating expenditure	12,543	5,489
Accrued capital expenditure	5,004	295
Payable to NSWbusinesslink for personnel services	45,376	38,967
	<b>72,795</b>	<b>49,078</b>

The movement in the payable to the NSWbusinesslink is principally related to the Superannuation actuarial losses in the year of \$6.483 million.

**(a) Fair value disclosures**

The carrying amount of all payables approximates their fair value.

**(b) Risk exposure**

Details of the Company's exposure to risks arising from market risk is provided in Note 2.

**Note 11 – Current liabilities – Borrowings**

	2010	2009
	\$'000	\$'000
<b>Unsecured</b>		
T-Corp Borrowings	12,754	8,300
	<b>12,754</b>	<b>8,300</b>

There are three T-Corp facilities. \$4.650m with rollover date of 9 March 2011, \$3.650m with a rollover date of 10 February 2011 and \$4.4 million with a maturity date of 1 December 2010.

The Company has a borrowing facility with T-Corp. As at 30 June 2010 the Company had approval to borrow up to \$19.1 million (2009 - \$19.1 million). The undrawn facility as at 30 June 2010 was \$6.3 million.

**(a) Fair value disclosures**

The carrying amount of all payables approximates their fair value.

**(b) Risk exposure**

Details of the Company's exposure to risks arising from market risk are provided in Note 2.

## Note 12 – Current and Non-current liabilities – Provisions

	2010	2009
	\$'000	\$'000
<b>Current Restoration Provision</b>		
Carrying amount at beginning of financial year	-	-
Add		
Transfer from non-current provision	115	-
<b>Carrying amount at end of financial year</b>	<b>115</b>	<b>-</b>
<b>Non-Current Restoration Provision</b>		
Carrying amount at beginning of financial year	680	544
Less		
Transfer to current provision	(115)	-
Add		
Change in discount rate	37	40
Make good provision on operating leases (Refer Note 8)	28	96
<b>Carrying amount at end of financial year</b>	<b>630</b>	<b>680</b>

In accordance with the various lease agreements entered into by the Company, the Company must restore its leased premises to their original condition at the end of the lease term. These terms varying in expiration from 1 year to 9 years.

A provision of \$0.745 million was raised during the year ended 30 June 2010 in respect of the Company's obligation to remove leasehold improvements from these leased premises and is included in the carrying amount of the leasehold improvements (refer Note 8). During the year ended 30 June 2010 the Company provided a further \$0.028 million for this purpose.

Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will ultimately be incurred, if any. The provision has been calculated using a pre-tax discount rate of 4.685%.

### Note 13 – Non-current liabilities – Borrowings

	2010	2009
	\$'000	\$'000

#### Unsecured

T-Corp Borrowings	-	4,432
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#### 2010

	Principal \$'000	Interest \$'000	Total \$'000
Not later than one year	12,787	394	13,181
Later than one year but no later than five years	-	-	-
Later than five years	-	-	-
	12,787	394	13,181

#### 2009

	Principal \$'000	Interest \$'000	Total \$'000
Not later than one year	8,300	479	8,779
Later than one year but no later than five years	4,432	133	4,565
Later than five years	-	-	-
	12,732	612	13,344

Unless disclosed below, the carrying amount of the Company's current and non-current borrowings approximate their fair value.

	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
T-Corporation	4,454	4,454	4,432	4,432
T-Corporation	4,650	4,650	4,650	4,650
T-Corporation	3,650	3,650	3,650	3,650
Net carrying amount	12,754	12,754	12,732	12,732

#### (a) Risk exposure

Details of the Company's exposure to risks arising from market risk are provided in Note 2.

## Note 14 – Contributed equity

	2010	2009
	\$	\$
<b>Share Capital</b>		
Opening balance	40	40
Issued Capital ordinary shares of \$1 each	-	-
	40	40

On 25 June 2004, the Company issued 30 fully paid ordinary shares of \$1 each. Ten (10) shares each were issued to the Minister for Housing; the Treasurer of NSW and Minister for Community Services, Ageing and Disability Services.

On 21 June 2005, the Ministry of Community Services, Ageing and Disability Services was split into two Ministries. Ten (10) fully paid ordinary shares were reissued to the Minister for Community Services and an additional 10 fully paid ordinary shares were issued to the Minister of Ageing and Disability Services.

### Capital Management

When managing capital, management's objectives are to ensure the Company continues as a going concern as well as to maintain optimal returns to its shareholders. Management has no current plans to issue further shares to its shareholders. The Company currently manages issued capital of \$40.

## Note 15 – Accumulated Funds

	2010	2009
	\$'000	\$'000
Opening Accumulated Funds	2,648	15,633
<b>Changes in Equity – Transactions with owners as owners</b>		
Increase in net assets from equity transfers	-	7,347
<b>Changes in Equity – Other than transactions with owners as owners</b>		
Surplus/Deficit for the year	(1,662)	(20,332)
Accumulated Funds as at 30 June	986	2,648

In June 2009 the following asset was transferred from the Department of, Ageing, Disability and Home Care to NSW Businesslink Pty Ltd.

	2010	2009
	\$'000	\$'000
<b>Transfer of Assets from Department of Ageing, Disability and Home Care</b>		
Intangible Assets	-	7,347
Net Assets	-	7,347



## Note 16 – Agreement for personnel services

An agreement has been entered into between the Company and the Office of NSWbusinesslink within the Department of Human Services NSW for the provision of personnel services. Under the terms of the agreement, staff are employed by NSWbusinesslink under the Public Sector Employment and Management Act 2002, with their services being provided to the Company. The Company is required to pay NSWbusinesslink by way of fees for the services, an amount equivalent to all employee related costs and all employment administration costs.

Neither NSWbusinesslink, nor the Company, has control of the other entity. The Company has a Board of Directors independent of NSWbusinesslink.

## Note 17 – Contingencies

### (a) Contingent assets and liabilities

As at reporting date, the Company is not aware of any contingent assets or liabilities, which may materially affect its financial position (2009 - \$NIL).

## Note 18 – Reconciliation of surplus/(deficit) to net cash flows from operating activities

	2010 \$'000	2009 \$'000
Surplus/Deficit for the year	(1,662)	(20,332)
Depreciation	6,273	5,740
Amortisation	8,971	6,675
Write off of intangible assets	85	79
Net (gain) loss on sale of non current assets	28	25
Decrease/(Increase) in receivables	(4,587)	(1,764)
Effective interest adjustment to borrowings	21	(247)
Unwinding of discount on make good provision	38	40
Increase/(Decrease) in accounts payable and other creditors	18,978	23,779
Net cash inflow from operating activities	28,145	13,995

Input tax credits of \$17.438 million (2009 \$15.890 million) are included in Fees for Services and GST of \$14.452 million (2009 \$12.924 million) paid on supplies, is included in payment to supplier's expenses in the Statement of Cash Flows. Actual GST forwarded to the Australian Taxation Office of \$2.986 million (2009 \$1.811 million) is also included in payment to suppliers and actual GST received of \$NIL million (2009 \$0.282 million) is included in Fees for Services in the Statement of Cash Flows.

## Note 19 – Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company for:

	2010	2009
	\$	\$
Audit and review of financial statements	136,400	136,400
Total remuneration for audit services	136,400	136,400

## Note 20 – Director's Remuneration

The names of the persons who were Directors of NSW Businesslink Pty Ltd at any time during the financial year were as follows: Mr M Allen, Ms J Mason, Mr J. Moore, Ms J McClelland, Mr A Olley (appointed 8 March 2010) and Mr P Richards (resigned 8 March 2010).

No Director of the Company has received, or become entitled to receive, any benefit by reason of a contract made by the Company with any Director.

Income paid or payable, or otherwise made available, in respect of the financial year, to all Directors of NSW Businesslink Pty Ltd, is directly from NSWbusinesslink. (N.B Apart from Mr P Richards, Mr A Olley and Ms J McClelland, this excludes remuneration payments made to the remaining Directors by their own Agencies with respect to their employment with those Agencies):

	2010	2009
NIL to \$10,000	3	4
\$50,000 to \$60,000	1	1
\$230,000 to \$240,000	1	-
\$250,000 to \$260,000	-	1
\$470,000 to \$480,000	1	-
Aggregate Directors Remuneration paid (in whole dollars) to the above directors was	762,875	303,182

## Note 21 – Related party transactions

	2010 \$'000	2009 \$'000
<b>Fee for Service</b>		
Housing NSW	38,034	38,005
Community Services	51,659	50,428
Ageing, Disability and Home Care	87,307	75,099
Juvenile Justice	3,735	-
Aboriginal Housing Office	10	-
Department of Human Services	547	-
Service, Technology and Administration	2,106	2,358
State Property Authority	833	527
Department of Education and Training	4,343	-
	188,574	166,417
<b>Receivables</b>		
Housing NSW	1,275	502
Community Services	2,500	2,526
Ageing, Disability and Home Care	7,312	6,184
Juvenile Justice	184	-
Aboriginal Housing Office	10	-
Department of Human Services	602	-
Service, Technology and Administration	188	343
State Property Authority	46	45
Department of Education and Training	1,066	-
	13,183	9,600
<b>Payables</b>		
NSWbusinesslink	45,376	38,967
Housing NSW	315	126
Community Services	101	604
Ageing, Disability and Home Care	367	2,814
Juvenile Justice	37	-
Aboriginal Housing Office	6	-
Department of Human Services	11	-
Service, Technology and Administration	1	62
NSW Treasury	162	113
	46,376	42,686

- (i) The Housing Assistance Program in New South Wales is implemented through the entity 'Payments to other Government Bodies under the Control of the Minister' (the Entity). This entity receives appropriation jointly funded by the Commonwealth and State governments under the Commonwealth State Housing Agreement. Housing NSW administers the transfer of appropriations received by the Entity as grants.

During the year \$33.695 million (2009 - \$33.062 million) was paid by Housing NSW to the Company, as a grant for the provision of corporate services, reimbursable expenditure and project costs.

### Statement of Cash Flows

Included in the Statement of Cash Flows are payments and receipts totalling 2010 \$19.746 million (2009 \$17.904 million) which relates to Businesslink acting as an agent on behalf of Ageing, Disability and Home Care Services for the payment of leased premises. These payments made by Businesslink are recouped from each agency. As Businesslink acts only as an agent these amounts are not reflected in the Statement of Comprehensive Income.

### Related Party Expenditure

During the year the Company incurred expenditure relating to personnel services, repayment of state loans and interest, rent and other minor administrative services to the following related parties:

	2010 \$'000	2009 \$'000
NSWbusinesslink *	63,943	74,969
Housing NSW	43	177
Ageing, Disability and Home Care	45	30
Service, Technology and Administration	-	5
State Property Authority	4,756	4,902
NSW Treasury	735	2,104

\* This includes:  
\$2.810 million (2009 \$1.745 million) capitalised into the Company's development projects  
- payments for the services of executive officers

	2010 Number of Officers	2009 Number of Officers
40,000 to 50,000	-	1
50,000 to 60,000	1	-
150,000 to 160,000	-	-
180,000 to 190,000	-	1
190,000 to 200,000	1	-
210,000 to 220,000	-	1
220,000 to 230,000	-	1
230,000 to 240,000	2	-
250,000 to 260,000	-	1
290,000 to 300,000	-	1
470,000 to 480,000	1	-
Aggregate executive officers remuneration paid to the above executives was (Excluding Executive Directors and including Termination Payments)	1,190,918	1,230,579

## Note 22 – Commitments

	2010 \$'000	2009 \$'000
<i>(i) Plant and equipment</i>		
Within one year	526	167
Later than one year but not later than five years	1,200	484
Later than five years	-	-
Total (including GST)	1,726	651
<i>(ii) Operating Expenses</i>		
Within one year	20,453	25,371
Later than one year but not later than five years	982	-
Later than five years	-	-
Total (including GST)	21,435	25,371
<i>(iii) Operating lease - Office Accommodation</i>		
The Company leases various offices under operating leases with varying expiration dates.		

### Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

	2010 \$'000	2009 \$'000
Within one year	7,034	7,205
Later than one year but not later than five years	19,116	23,360
Later than five years	6,290	8,667
<b>Total (including GST)</b>	<b>32,440</b>	<b>39,232</b>
Input Tax credit amounting to \$5.055 million (\$5.932 million in 2009) is claimable from the Australian Taxation Office when the above commitments are paid in the future.		
Included in the commitments above are purchase orders raised on behalf of the client agencies relating to assets and operating costs for Billable Projects. The amounts of these commitments are as follows:		
Community Services	3	1,564
Ageing Disability and Home Care	42	482
Housing NSW	-	208
<b>Total (including GST)</b>	<b>45</b>	<b>2,254</b>
All these commitments are due within one year		

## Note 23 – Post Balance Date Events

At the date of this report the Company is not aware of any events since balance date that would materially affect the disclosures outlined in this report.

END OF FINANCIAL STATEMENTS



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