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30 October 2007

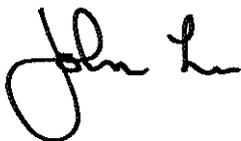
The Hon Eric Roozendaal MLC  
Minister for Roads  
Minister for Commerce  
Level 36  
Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Minister

I am pleased to submit the Annual Report for the NSW Department of Commerce for the year ended 30 June 2007 for presentation to Parliament.

The report has been prepared in accordance with the *Annual Reports (Departments) Act 1985*, the *Public Finance and Audit Act 1983* and the regulations under those Acts.

Yours sincerely



**John Lee**  
**Director-General**

## Director-General's Message

The 2006/07 year provided many new challenges for Commerce, as we strengthened our position as a key service provider and regulator in the government sector.

The Department contributed to building a stronger NSW economy by assisting government agencies to deliver their services and programs effectively and efficiently.

Commerce performed strongly throughout the year, with notable achievements in the areas of infrastructure, information and communications technology, industrial relations, fair trading, environment and property.

Staff in the Office of Public Works and Services and NSW Procurement ensured that taxpayers received high value for money in designing, constructing and managing capital works valued at over one billion dollars, developing innovative goods and services contracts and introducing new initiatives in information and communications technology.

Staff in the Office of Industrial Relations and the Office of Fair Trading strived to make doing business simple and fair for consumers, traders, employers and workers.

The Office of Industrial Relations implemented a number of initiatives to protect young workers and provide them with fair employment conditions. A new website called Young People at Work now provides young workers with information about their rights and responsibilities at work.

The Office of Fair Trading implemented regulatory changes that will bring about significant changes for communities and businesses in the areas of motor vehicle repairs, real estate, small business and in home building. Staff across the State responded to over six million calls for assistance during the year.

In July 2006, the Premier launched *People First*, a coordinated approach to Information and Communications Technology (ICT) investment across government. A savings target of \$565 million over the next four years has been set. This will be achieved by consolidating Government ICT to reduce duplication, amalgamating infrastructure and aggregating purchasing. Just one example was the new personal computer agreements signed during the year that will save government agencies more than \$120 million over the four year life of their equipment.

This financial year, as a result of proactively marketing the benefits of smartbuy, the Government's electronic marketplace, agencies achieved estimated total savings of \$34.5 million, effectively doubling the savings figure achieved last year.

With the State battling one of the most severe droughts in memory all year, Commerce was called on to provide a range of specialist services to state and local government bodies.

Under the Sydney Metropolitan Water Plan, Commerce played a major role in securing additional supplies of water from Warragamba Dam, working in partnership with the Sydney Catchment Authority and other agencies.

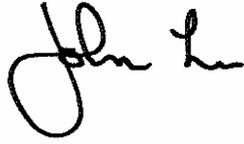
Councils on the Central Coast, North Coast and Southern Highlands also benefited from the expertise available within Commerce in managing their scarce water supplies. Commerce designed and project managed the construction of a pipeline from the Hunter to the Central Coast to alleviate the threat of dwindling supplies to local communities in the region.

Towards the end of the year, in June 2007, natural disasters were declared in the Hunter and Central Coast regions. Once again, Commerce's long standing expertise in this field was called upon, with staff undertaking key engineering, communications and technical roles on a 24 hour basis as well as providing information and assistance to affected consumers through the government's Disaster Recovery Centre.

The year was not without organisational change, with the State Records Authority joining Commerce in November 2006, along with Businesslink and the shared services division of the former Department of Natural Resources. With the formation of the State Property Authority in September 2006, the majority of functions of the State Property branch in Commerce were transferred to the Minister for Finance. The property valuation services went to the Department of Lands in March 2007.

Commerce's strong performance through the year could not have been achieved without the skills and dedication of staff and I thank them for their valued contributions.

I would also like to acknowledge the present Minister for Commerce, the Hon Eric Roozendaal MLC and his predecessor, the Hon John Della Bosca MLC, for their support and direction through the year.

A handwritten signature in black ink, appearing to read 'John Lee', is positioned above the printed name and title.

**John Lee**  
**Director-General**

## About Commerce

### Who we are

The NSW Department of Commerce (Commerce) is a service provider and regulator dedicated to delivering better services to our clients, customers and community and contributing to a prosperous NSW.

### Our goals

Commerce has five major goals aligned to the NSW Government's State Plan priorities:

1. Maximise value for government agencies in delivering services to clients, customers and the community
2. Simplify processes for dealing with government
3. Promote a fair marketplace for consumers and traders
4. Promote fair and productive workplaces
5. Contribute to a credible, efficient and effective organisation

<p><b>Goal 1</b> Maximise value for government agencies in delivering services to clients, customers and the community</p>	<p><b>Contributes to State Plan activities of:</b></p> <ul style="list-style-type: none"> <li>▪ Growing Prosperity across NSW</li> <li>▪ Environment for Living</li> <li>▪ Delivering Better Services</li> </ul> <p><b>We achieve this goal by:</b></p> <ul style="list-style-type: none"> <li>▪ helping to plan, design and deliver public infrastructure, including information and communications technology</li> <li>▪ being a centre of excellence in procurement and providing government with support to undertake successful procurement and manage supply chains</li> <li>▪ helping to mitigate the consequences of natural disasters and possible terrorism</li> <li>▪ providing office and corporate services to government.</li> </ul>
<p><b>Goal 2</b> Simplify processes for dealing with government</p>	<p><b>This contributes to the State Plan activities of:</b></p> <ul style="list-style-type: none"> <li>▪ Delivering Better Services</li> <li>▪ Growing Prosperity across NSW</li> </ul> <p><b>We achieve this goal by:</b></p> <ul style="list-style-type: none"> <li>▪ developing, using and promoting best practice methods and tools to help government successfully procure goods and services and public infrastructure, and manage supply chains</li> <li>▪ developing appropriate Fair Trading and Industrial Relations regulations and services.</li> </ul>
<p><b>Goal 3</b> Promote a fair marketplace for consumers and traders</p>	<p><b>This contributes to the State Plan activities of:</b></p> <ul style="list-style-type: none"> <li>▪ Rights, Respect and Responsibility</li> <li>▪ Growing Prosperity across NSW</li> <li>▪ Delivering Better Services</li> </ul> <p><b>We achieve this goal by:</b></p> <ul style="list-style-type: none"> <li>▪ setting ground rules for interactions between consumers and traders in NSW</li> <li>▪ informing the community of rights, obligations and good practice</li> <li>▪ mediating consumer complaints and enforcing compliance through investigation, prosecution, civil proceedings and other disciplinary action.</li> </ul>

<p><b>Goal 4</b> Promote fair and productive workplaces</p>	<p><b>This contributes to the State Plan activities of:</b></p> <ul style="list-style-type: none"> <li>▪ Rights, Respect and Responsibility</li> <li>▪ Growing Prosperity across NSW</li> <li>▪ Delivering Better Services</li> </ul> <p><b>We achieve this goal by:</b></p> <ul style="list-style-type: none"> <li>▪ setting a best practice framework for interactions between employers and employees in many NSW workplaces</li> <li>▪ informing employers and employees of rights, obligations and good practice</li> <li>▪ enforcing compliance through investigation, prosecution and other disciplinary action.</li> </ul>
<p><b>Goal 5</b> Contribute to a credible efficient and effective organisation</p>	<p><b>This contributes to the State Plan activities of:</b></p> <ul style="list-style-type: none"> <li>▪ Environment for Living</li> <li>▪ Fairness and Opportunity</li> <li>▪ Delivering Better Services</li> </ul> <p><b>We achieve this goal by:</b></p> <ul style="list-style-type: none"> <li>▪ establishing a framework for how we operate internally to achieve our goals</li> <li>▪ setting priorities for shared corporate services across Commerce to ensure they support the activities of our business units.</li> </ul>

## How Commerce contributes to the State Plan

### Maximise value for government agencies in delivering services to clients, customers and the community

Commerce provides commercial services to government agencies to help them maximise value, minimise cost and manage risks in the services they provide to the community. We help develop and maintain public infrastructure by helping government agencies plan, design and deliver building, engineering, information, and communications technology assets.

Our services include managing projects and programs, resolving disputes, finding sustainable solutions to the problems of capturing, treating and distributing water, managing motor vehicle fleets and office and corporate services. We are also called on to help government mitigate the consequences of natural disasters and possible terrorism.

Commerce is a centre of expertise in goods and services procurement for the Government and provides tools, advice and professional services to enable agencies to plan and undertake successful procurement and manage supply chains.

### Simplify processes for dealing with government

Commerce improves access to government services for customers and suppliers by minimising red tape and supporting different methods of delivering services, including by electronic means.

### Fair marketplace for consumers and traders

Commerce services safeguard consumer rights and advise traders on fair, ethical practice. We administer legislation, which sets ground rules for interactions between consumers and traders throughout NSW, in areas including consumer goods and services, residential accommodation, home building, cooperatives and associations.

Commerce informs the community of rights and obligations, we mediate consumer complaints and enforce compliance through licensing, inspections, investigation, prosecution, civil proceedings and other disciplinary action. Last year we provided services to the community on six million occasions.

**Fair and productive workplaces**

Commerce services ensure that workplace legislation and the regulatory framework meet the requirements of today's commercial environment. Workplace standards are communicated through targeted programs, workplace information and advisory services. Where standards are not being applied, effective enforcement services through fair workplace regulation and industrial policy ensure that the rights of workers and employers are protected.

**Contribute to a credible, efficient and effective organisation**

Commerce's framework, priorities and leadership ensure a high standard of operation to meet its external goals. Through efficient financial, asset and human resources management, highly skilled staff and a clear vision, Commerce aims to deliver better services for all its customers, clients and the community and contribute to government policy.

# Corporate Performance

The background is a solid, vibrant blue. Overlaid on this are several abstract, white, ethereal elements. These include thin, curved lines that resemble orbits or paths, and larger, more diffuse brushstrokes that create a sense of movement and depth. The overall effect is clean, modern, and dynamic.

# Corporate Performance

## Office of Fair Trading

Commerce Goal 2 – Simplify processes for dealing with government

Commerce Goal 3 – Promote a fair marketplace for consumers and traders

Regulatory changes brought significant improvements for the community in the areas of:

- motor vehicle repairs - with the introduction of a mandatory code of practice between smash repairers and insurers
- real estate - with more open dealings at property auctions
- small business - with tighter controls on false-billing
- home building – with clearer, standard qualification requirements and the opportunity for licensees to take advantage of new three-year licences.

The Office of Fair Trading (OFT) continued to respond to a vast number of requests from the community for service – well over 6 million in 2006/07. These were handled through phone, counter and electronic channels. Independent surveys demonstrated a high level of accuracy for the information provided and customer satisfaction levels continued to be well above the suggested Australian Standard target. More than 34,000 disputes between consumers and traders were handled and over 85 per cent of these were successfully negotiated at an informal level. Over 41,000 compliance related activities – ranging from inspections through to more complex action in the Supreme Court, were carried out to ensure fairness in the marketplace. A comprehensive review process involving more than 40 separate pieces of legislation continued to ensure NSW's fair trading laws remain up-to-date and reflect the needs of Parliament, the community and a broad range of stakeholders. Over 900 community information sessions were presented to more than 27,000 people around the State.

People seeking affordable housing will now benefit from an initiative that provided \$10.4 million of Rental Bond Board investment funds to the Department of Housing for capital and to establish the vehicle model for affordable housing. In June 2007, OFT provided Housing with an additional \$30 million to provide grants for the development or acquisition of up to 250 units of affordable rental housing.

An Enforcement Action Report is now being published each quarter on the OFT website. It details the names of offenders, their offences and the penalties imposed for breaches of fair trading law. It sends a warning to individuals who might consider flouting the law, as well as encouraging honest traders who value the reputation and integrity of their industries.

**Commerce objectives**

- Fair Trading legislation simplifies service provision for consumers and traders
- Fair marketplace regulation with minimal red tape

**Corporate performance**

Result	Result indicator	03/04	04/05	05/06	06/07 Actual	Target 07/08	Comment
Fair Trading legislation simplifies service provision for consumers and traders	% of customers who agree services are simple and uncomplicated	-	-	-	87%	85%*	The initial result for this new indicator is an encouraging sign the community is generally not burdened by complex services.
Fair marketplace regulation with minimal red tape	% traders who believe they are unduly burdened by fair trading laws	-	-	-	34%	35%*	A low result is a good result for this new indicator. It is an encouraging sign the majority of traders don't believe they are unduly burdened by fair trading laws.

Service Group	Performance Measure	03/04	04/05	05/06	06/07 Actual	Target 07/08	Comment
Policy development and regulatory review	% Office of Fair Trading regulatory proposals that meet Better Regulation Office requirements without further amendment	-	-	-	n/a	60%	Unable to measure during 2006/07. Better Regulation Office is yet to disclose its service measure requirements. The target is purely speculative.

\* Note: the target has been rounded to the nearest five per cent but is speculative until at least three year's data allows trend analysis to set a firmer target

**Three-year home building licences**

A review into licensing in the NSW home building industry was conducted in 2005 to consider a range of issues, including the type of work that should be covered by licensing; whether licensing should cover individuals, partnerships and companies; training and education standards; and owner builders. A total of 29 recommendations for reform were made and the Government sought feedback from consumers, building contractors, industry associations and other interested parties. The Government indicated early in 2007 that it would implement two of the key recommendations in the report. As a result, licensees under the Home Building Act are being given the option from 1 July 2007 to renew their licences on a three-yearly basis, providing substantial savings over annual renewal fees.

**Funeral Industry review**

In response to the Legislative Council Standing Committee on Social Issues Inquiry Report into the NSW Funeral Industry, as well as its own research, OFT worked with the funeral industry and consumer groups to develop proposals for an information standard for funeral goods and services. The information standard will require funeral directors to provide specific information to consumers about funeral goods and services, including a breakdown of costs. It will ensure that consumers receive clear and easily comparable information to help them make an informed

choice at a time when they are distressed and vulnerable. It will also promote greater competition and transparency within the industry. The *Fair Trading Act 1987* was amended in June 2007 to enable an information standard for funeral goods and services to be prescribed. A draft information standard will be released for public consultation later in 2007.

### **Trade measurement**

In April 2007, the Council of Australian Governments (COAG) agreed, having considered the advice of the Ministerial Council on Consumer Affairs, to accept the Commonwealth's offer to take full responsibility for the national trade measurement system from 1 July 2010. The system is responsible for the accurate measurement of transactions which comprise about 50 per cent of Australia's Gross Domestic Product. The Commonwealth's National Measurement Institute will be responsible for the administration of the national system and the development of its legislation and plans to consult with the states, territories and New Zealand to improve harmonisation.

The legislation will need to cover the approval, use and inspection of measuring instruments used for trade, including shop scales, petrol flow-meters, tanks and beverage dispensers, packaging and labelling of pre-packaged goods. A national trade measurement system will remove administrative differences between the states and territories. The Commonwealth, NSW and the other states and territories are committed to the development of a national system, supported by legislation, which will, at a minimum, maintain existing service standards and consumer protection.

### **Personal property securities**

COAG agreed in-principle in April 2007 to a national system for the registration of personal property securities by 2009 to be administered by the Commonwealth. This will result in a single national register on which all forms of security over all types of personal property would be registered - the Personal Property Security Register. Personal property includes goods such as motor vehicles, boats, business and manufacturing equipment, as well as 'intangibles' such as copyright, company shares and trademarks.

The proposed Personal Property Security Register will have a direct impact on more than 70 pieces of Commonwealth, state and territory legislation. It will involve the consolidation of numerous existing security registers, in particular the company charges register operated by the Australian Securities and Investments Commission and the various state vehicle encumbrance registers, such as the Register of Encumbered Vehicles (REVS). OFT is keen to ensure that the single national register project provides optimal benefits for consumers, business and the NSW Government.

### **Australian consumer product safety system**

The Ministerial Council on Consumer Affairs is considering reform options to improve the effectiveness and consistency of product safety regimes in Australian jurisdictions. Product safety is one of the regulatory 'hot spots' identified by COAG as being in need of cross-jurisdictional regulatory reform to reduce the regulatory burden on business. OFT is participating in a harmonisation project in which the states and territories, in consultation with the Commonwealth, will agree on the principles of the new regime and report to the Ministerial Council late in 2007.

### **Australia's consumer policy framework**

The Productivity Commission is an independent body which advises the Commonwealth Government on microeconomic policy and regulation. It conducts public inquiries and research into economic and social issues affecting the welfare of the Australian community. The Commission is undertaking an inquiry into Australia's consumer policy framework and its administration. The Commonwealth, state and territory governments share responsibility for consumer policy in Australia. The main legislative provisions are contained in the *Trade Practices Act 1974* and the Fair Trading Acts in each state and territory. In addition to this generic legislation, there is a wide array of industry-specific regulation covering, for example, telecommunications, food safety, retail energy suppliers, and vehicle sales.

The consumer policy framework also encompasses various self-regulatory and co-regulatory schemes and non-regulatory approaches such education and information strategies. OFT co-ordinated the NSW Government's submission to the Inquiry. The Commission is required to make a report to the Government by 11 December 2007.

### **Review of qualification requirements**

In August 2006, new qualification requirements for 24 building trades (carpenters, bricklayers, painters, concreters, etc) were approved based on a national qualification at Certificate III level. Previously, the qualification requirements were based on a period of experience and an oral assessment. This has been replaced by a clear standard based on a nationally accepted qualification. The new trade work licence assessment criteria is a move toward establishing standardised licence assessment criteria which removes the subjective weight given to an applicant's experience and puts in place an objective assessment criteria for the granting of licences. This is in line with COAG's proposal to address the national skills shortage by removing barriers preventing skilled trades' persons and builders working around the nation. A review of qualification requirements for plumbing occupations commenced in April 2007. A consultation document was circulated and submissions closed on 31 May 2007. Until now, qualification requirements have been based on a combination of educational courses and/or examinations and a period of practical experience. It is proposed that this will be replaced by qualifications from a national training package based on competency standards.

### **Mandatory code between smash repairers and insurers**

Over the last several years there have been ongoing disputes between smash repairers and insurers over how the two industries interact when dealing with the repairs to insured motor vehicles. Issues of concern include the pricing and timing of repairs, the tendering process and the cost of repairs and the operation of preferred repairers' schemes. In order to address these difficulties, a mandatory Code of Conduct for insurers and smash repairers was introduced on 30 March 2007. It sets out how the parties should act when in dispute over the repair of a vehicle. The mandatory code, which is based upon a national voluntary code negotiated between the two principal industry associations, provides a balanced framework for fair business between insurers and repairers - consumers benefit from openness and accountability required by the code. Areas covered include an external dispute resolution mechanism; allowing businesses to retain preferred smash repairers status even after sale; openness and transparency for preferred repairer schemes and in quoting and paying for work and a requirement that up-front disclosure for consumers on whether their insurer allows choice of repairer when making a claim.

### **Property, stock and business agents**

On 1 March 2007 amendments to the *Property, Stock and Business Agents Act* came into force to increase transparency in auctions and make miscellaneous amendments to improve consumer protection. Under the new laws, consumers benefit from more open dealings at auctions and with agents. The changes to auctions are designed to increase consumer confidence that the auction is both fair and transparent. Changes included:

- Tightening vendor bid requirements and the creation of an explicit dummy bidding offence
- Improving disclosure in the subsequent marketing of properties which have been passed in at auction
- Allowing co-owners and executors to bid on a property if they are seeking to buy another owner's interest, as long as the intention to bid is announced to people at the auction and the bidder registration number of the co-owner, executor or their representative is also provided at the start.

A number of minor amendments clarifying certain issues in relation to an agent's business were also included in the package of reforms. These include clarification of disclosure requirements for agents in relation to benefits received when referring clients or prospective buyers to third parties, improvements to trust account identification and increases in penalties for breaches of the rules of conduct.

## Controlling unfair behaviour

Changes to the *Fair Trading Act* that commenced on 20 October 2006 extend application of the Act to conduct which occurs outside NSW that has a relevant link with NSW. The changes also provide the power to obtain information relevant to the investigation of a complaint; investigation or other matters affecting the interests of consumers; order the sale, and destruction or disposal of items which were obtained under the authority of a search warrant or in the course of an investigation that are no longer needed as evidence and cannot be returned. Amendments to the act also rationalised the number of advisory councils furnishing advice to the Minister and provide for flexibility in membership of the councils. Changes relating to strengthening controls on false billing commenced on 1 July 2007. It is now prohibited to demand payment for publishing an advertisement without written authority to publish it or send a document stating the price unless it prominently states "This is not a bill. You are not required to pay any money".

Other legislative change information is listed in Appendix 16 - Legislation.

## Commerce Objective - Community able to access information and services

### Corporate performance

Result	Result indicator	03/04	04/05	05/06	06/07 Actual	Target 07/08	Comment
Community able to access information and services	% of public who know where to go to get help	73%	73%	70%	66%	65-70%	Within target range
Service Group	Performance Measure	03/04	04/04	05/06	06/07	Target 07/08	Comment
Information for consumers and traders	Customer satisfaction meets or exceeds the benchmark	89%	87%	90%	90%	≥90%	Target met
	Community take-up rate: average number of services requested per 1000 people in NSW	509	557	653	734	Est.700	Estimate exceeded
	% accuracy of information provided	99%	83%	93%	89%	≥90%	Close to target
	% complaints finalised within 30 days	95%	90%	95%	96%	≥80%	Target exceeded
	% complaints resolved to satisfaction of both parties	67%	74%	81%	85%	≥70%	Target exceeded
	% of telephone	80%	81%	79%	83%	≥85%	Close to target

Result	Result indicator	03/04	04/05	05/06	06/07 Actual	Target 07/08	Comment
	enquiries answered where published standards met						
Business licensing and registration services	% of licensing and registration services where published standards are met	100%	100%	100%	100%	100%	Target met
Rental bonds custody	% of bond refunds where published standards met	100%	100%	100%	100%	100%	Target met
Tribunal services	% of Consumer Trader and Tenancy Tribunal matters finalised prior to or at first hearing	78%	77%	77%	78%	75%	Target met

### Fair Trading Week

This year OFT's special week-long promotion, Fair Trading Week, focused on the processes and pitfalls of buying, selling and renting property. The theme was Home Sweet Home: your keys to buying, selling and renting. At the launch of Fair Trading Week the findings of an online survey we conducted in September and October 2006 were released. The survey tested the confidence level of people making real estate transactions and knowledge of their rights and obligations. One thousand nine hundred and fifty four people participated in the survey. The results highlighted wide gaps between how much people think they know and their actual level of knowledge. For example, only one in ten sellers of property first checked to see if their real estate agent was licensed. Only one in three buyers knew that the five-day cooling-off period was the last opportunity to change their mind during a purchase.

### Financial literacy program

OFT has developed a financial literacy package which aims to assist various groups experiencing financial hardship. The package was promoted and delivered to a range of groups including TAFE, Cultural and Linguistically Diverse (CALD) communities and Aboriginal and Torres Strait Islander (ATSI) communities.

### Information programs

OFT is committed to ensuring that NSW is a fair marketplace for consumers and traders, tenants and landlords. During 2006/7, OFT delivered over 900 information sessions, talks and seminars on all aspects of Fair Trading legislation that were attended by 27,000 people across the State.

## **Aboriginal Access Program**

It is acknowledged that the style of service delivery to the Aboriginal community needs to be different from the non-Aboriginal community if it is to succeed. Our staff, in particular dedicated Aboriginal Customer Service Officers, provide information through many presentations and seminars during the year on topics as diverse as tenancy, consumer rights, door-to-door sales, credit and buying a car, ensuring Aboriginal communities have a good knowledge of their rights and responsibilities and the services we have to offer. OFT actively continues to produce a range of consumer educational and promotional material for NSW Indigenous communities focusing on a wide range of issues. Culturally appropriate material includes an Indigenous youth package, a series of fact sheets, fliers and posters on issues such as tenancy, REVS, toy safety and credit, all of which are major issues identified from research and consultation with NSW Indigenous communities.

To reach Aboriginal communities, OFT provided information at a range of events across the state, including Crock Festival, the Annual Aboriginal Rugby League Carnival, NAIDOC Week activities, Harmony Day celebrations, Indigenous Family Fun days and Survival Day. In conjunction with other Government agencies we run forums such as Good Services and Do it Right. The Tenancy Information sessions that OFT runs continued to be the main focus. In secondary schools, presentations on Kooris and cars and our *Revved Up-purchasing a car* program were very successful.

## **Affordable housing grants**

OFT provided two one-off grants to the Department of Housing to establish the Affordable Housing Innovations Fund to provide funds to registered community housing providers for affordable renting housing projects. This initiative will address the need to provide more affordable rental opportunities for very low to moderate income households in stress and expand the capacity of community housing providers to deliver affordable housing. In 2006, we provided \$10.4 million to the Department of Housing for capital and to establish the vehicle model for the Affordable Housing initiative. In June 2007, we provided an additional \$30 million to provide grants for the development or acquisition of up to 250 affordable rental dwellings. This represents a total contribution of \$40.4 million. The funds are drawn from Rental Bond Board investment earnings on tenants' rental bonds.

## **Home warranty insurance**

The private home warranty insurance scheme continues to be monitored by the independent Home Warranty Insurance Scheme Board. From 1 March 2007, the minimum cover that must be provided by insurers to homeowners under the home warranty insurance scheme was increased from \$200,000 to \$300,000. It is the responsibility of the building contractor to obtain home warranty insurance before taking any money or commencing work where the residential building work is valued at over \$12,000. On 1 June 2007, the home warranty insurance business of Australian International Insurance Limited (AAIL) was integrated into that of Lumley General Insurance Limited following the purchase of AAIL's parent company by Lumley's parent company – Wesfarmers Limited.

## **Home building licences**

All new applicants for building licences and certificates are now required to present themselves in person at a Fair Trading Centre or a Government Access Centre and undergo a proof of identity check. This is part of the Government's continuous drive to offer better protection to consumers. Further improvements to licensing administration, including the potential for on-line renewals will be delivered when home building licensing migrates to the Government Licensing System in 2007/08. On 21 August 2006, new licensing assessment criteria for 24 existing trade/building categories were introduced and two new building categories for contractor licences commenced for kitchen, bathroom and laundry renovation and erection of pre-fabricated metal-framed home additions and structures.

**Commerce objective - Compliance with fair trading laws****Corporate performance**

<b>Result</b>	<b>Result indicator</b>	<b>03/04</b>	<b>04/05</b>	<b>05/06</b>	<b>06/07 Actual</b>	<b>Target 07/08</b>	<b>Comment</b>
Compliance with fair trading laws	% of consumers confident in fair operation of marketplace	70%	71%	69%	73%	68-74%	Target met
<b>Service Group</b>	<b>Performance Measure</b>	<b>03/04</b>	<b>04/05</b>	<b>05/06</b>	<b>06/07 Actual</b>	<b>Target 07/08</b>	<b>Comment</b>
Compliance	% inspections where compliance evident	96%	96%	97%	98%	≥90%	Above target
	Proportion of prosecutions successful	91%	94%	86%	95%	≥90%	Above target

**Enforcement reporting**

A compliance initiative for 2006/07 involved the publication of a quarterly Enforcement Action Report through the OFT website. The report sets out the full range of enforcement action taken each quarter under 17 different acts, including penalty notices, licence suspensions and formal prosecutions. The strategy sends a warning to individuals who might consider flouting the law and encouragement to honest traders who value the integrity of their industries.

**Inspection programs**

The first line of defence in the fair trading compliance program is an active state-wide inspection program. During the year, OFT inspectors carried out more than 28,000 inspections throughout New South Wales. These focused on estate agents, builders and tradespeople, travel agents, motor dealers and repairers, auto dismantlers, second hand dealers, pawnbrokers, the safety of various products including electrical items, packaged items at supermarkets and other retail outlets, liquor dispensing units and glassware at licensed premises and petrol, gas and LPG fuel pumps. Some of the larger programs involved 2,166 product and electrical safety inspections, 3,391 building industry inspections and 11,813 trade measurement inspections. In the home building area, operations: Mortar, Nail, Dumpy and Ripsaw involved targeted visits to well over 600 building sites and interviews with some 1,800 traders. Resulting fines for a range of offences totalled more than \$180,000.

**Enforcement action**

Offences against fair trading legislation are detected through inspections, intelligence gathering and as a consequence of formal complaint investigations. During the year, more than 960 defendants were issued with penalty notices in relation to 1,288 offences - resulting in financial penalties of more than \$940,000. Formal prosecutions, where 95 per cent of cases were successful, resulted in \$825,178 in fines and penalties. The cases involved 120 defendants, one of whom received a custodial sentence in connection with contempt in the Supreme Court for a home building matter.

## Office of Industrial Relations

### Commerce Goal 4: Fair and productive workplaces

Throughout 2006/07, the Office of Industrial Relations (OIR) remained focused on support for the Minister and NSW Government in responding to the Federal Work Choices legislation, including:

- assistance with the NSW Government's appeal to the High Court over the constitutional validity of the legislation
- submissions to a range of inquiries putting the NSW Government's views on its effect
- hosting a national forum in August 2006 on these industrial relations changes
- participation in the Inquiry into the Impact of Work Choices undertaken by the NSW Legislative Council's Standing Committee on Social Issues in 2006 and preparation of the NSW Government's response
- revision of NSW Government procurement processes to ensure proper employment practices by tenderers.

The decision of the High Court in the Work Choices Case (State of New South Wales v Commonwealth of Australia, [2006] HCA 52 (14 November 2006)) confirmed the validity of Work Choices in its entirety. This decision presented one of OIR's most significant challenges during 2006/07.

An important aspect of the NSW Government's response to Work Choices and a key focus for OIR this year was the introduction of the *Industrial Relations (Child Employment) Act 2006*, to ensure that NSW employees under the age of 18 employed by Work Choices employers continue to be protected by the safety net of state award provisions. OIR prepared the Minister's submission to the No Net Detriment Principles Case in the Industrial Relations Commission of New South Wales as envisaged by that Act, and developed a communications and enforcement strategy for ensuring that compliance with the act and the principles established by the Commission is observed by all affected employers.

A website was developed to specifically provide workplace information to vulnerable young workers. The *Young People at Work* website ([www.youngpeopleatwork.nsw.gov.au](http://www.youngpeopleatwork.nsw.gov.au)) provides practical information to young people who are looking for their first job. The website provides information to reflect the work cycle – looking for work, getting a job and leaving the job, and also information about assistance available from OIR, particularly in relation to the new child employment laws. In its first four months of operation, the website attracted over 16,000 visitors.

### Assisting small businesses and regional employers

During 2006/07, OIR delivered a comprehensive range of seminars for small businesses, comprised of 110 seminars (51 in the Sydney metropolitan area and 59 in regional NSW) on workplace issues and legislative changes. These were attended by 1,449 employers. An additional 56 presentations were delivered, as requested by business enterprise centres, community organisations and employers, covering topics ranging from Industrial Relations in NSW, specific award workshops and employee management training. A total of 1,585 participants took part in these presentations.

OIR has also introduced a number of online business presentations through its Look and Listen web page which enables small business owners to access workshop information.

### Building community relationships

OIR continued to assist people from culturally and linguistically diverse (CALD) communities to better understand their rights in the workplace through improved access to the agency's resources and services. In addition to participating in more than 30 community and business events, 222 presentations were delivered to over 6,800 attendees providing information on workplace rights and responsibilities, together with presentations on specific NSW Awards to TAFE students. Strong partnerships with youth, education and community organisations continued to be forged this year.

A new quarterly electronic newsletter *Work Smart* was distributed to 700 community organisations offering information on workplace rights and the role and services of OIR.

OIR's Aboriginal and Torres Strait Islander Workplace Services Unit continued to deliver workplace information and advice to Aboriginal and Torres Strait Islander employees, contractors, employers and community organisations.

### Online and telephone advice to employers and employees

Activity on OIR's website continued to be high with 2.18 million visitors to the site. Nearly 55,000 people used *Check Your Pay*, an online application which allows users to calculate wages and entitlements. *Check Your Pay* has now been adopted for use by the Western Australian and Queensland governments.

*Pay Rate Updates*, OIR's free email update service that notifies subscribers of changes to NSW private sector awards, also showed significant growth. Subscribers to *Pay Rate Updates* increased by 17 per cent over this year to nearly 90,000 users.

To ensure that employers are able to display relevant awards in their workplace, OIR continued to provide the full text of major NSW private sector awards for free download through its website. During 2006/07, 198,000 awards were downloaded.

OIR also launched its *Compare What's Fair* service which allows employers and employees to compare a federal agreement or Australian Workplace Agreement with the relevant State award. The service attracted nearly 17,000 users.

During the year, OIR's telephone information service received calls from almost 316,000 employers and employees about information on pay rates and employment conditions. Many callers required advice and assistance in relation to the introduction of the federal Work Choices legislation in their workplace.

### Inspecting NSW workplaces

Inspectors from OIR carried out Australia's largest workplace compliance program during 2006/07. 425 campaigns focused on non-compliance hot spots in the retail and hospitality industry, as well as the medical, property/business services and rural industries. Approximately 11,000 workplaces were investigated, and inspectors identified 10,387 breaches of industrial relations legislation being committed by 4,100 employers, including over 1,800 employers underpaying workers. Compliance campaigns are proving to be an effective and efficient way to assist large numbers of employers and employees to understand their employment rights and responsibilities. The compliance program also returned over \$4.4 million of back-pay to workers.

### 2006/07 Performance indicators

Commerce Goal 4: Promote fair and productive workplaces

#### Corporate performance

Service Group	Indicator/Measure	05/06 Actual	06/07 Target	06/07 Actual	Comments	Target 07/08
Fair Marketplace regulation with minimal red tape	% employers and employees confident in fair operation of NSW Industrial Relations system	New	70 %	76 %	Achieved	70 %
	100% Compliance with Regulatory Impact Statements, Competition Policy Principles, and frameworks required by Better Regulation Office	New	100 %	100 %	RIS for Shop Trading and Child Employment completed in period	100 %

<b>Service Group</b>	<b>Indicator/Measure</b>	<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 Actual</b>	<b>Comments</b>	<b>Target 07/08</b>
Accessible information and help for employers and employees	Office of Industrial Relations client satisfaction meets or exceeds benchmark	New	85 %	90 %	Achieved	85 %
	% of employers who know where to get help for the services offered	33 %	30 %	31 %	Achieved	30 %
	% of employees who know where to get help for the services offered	27 %	25 %	27 %	Achieved	25 %
Compliance with regulations	% of non-compliant employers who comply or are prosecuted within six months after being notified they don't comply	87 %	85 %	87 %	Achieved	85 %
Best practise employment advice	Complaint resolution rate	New	60 %	66 %	Achieved	60 %
	% of employers satisfied with Office of Industrial Relations advisory services	New	95 %	95 %	Achieved	95 %
Policy Development, Regulatory Review and Industrial Liaison	% policy advice and analysis developed to Director General's satisfaction	98 %	95 %	98 %	Achieved	95 %
	% of briefings made available to Government on relevant IR issues.	100 %	95 %	96 %	Achieved	95 %

Service Group	Indicator/Measure	05/06 Actual	06/07 Target	06/07 Actual	Comments	Target 07/08
Employer/Employee Workplace Information and Advisory Services (including electronic services)	% client assessment that OIR public information provided is accurate	85 %	80 %	90 %	Achieved	80 %
	% of enquiries and complaints satisfactorily resolved within targeted timeframes.	90 %	85 %	92 %	Achieved	85 %
	% of enquiries accessing OIR through online systems.	90 %	90 %	93 %	Achieved	90 %
Inspection and Investigation, Compliance and Enforcement (including prosecution)	% of workplaces complying with NSW industrial relations laws.	61 %	60 %	62 %	Achieved	60%
	% of employers investigated who are subject to NSW industrial relations laws.	82 %	85 %	86 %	Achieved	85 %

## Office of Public Works and Services

Commerce Goal 1 - Maximise value for Government agencies in delivering services to clients, customers and community

### Education

#### Capital works

The Office of Public Works and Services (OPWS), through its network of offices across NSW, continued to provide project management expertise to the NSW Department of Education and Training (DET). OPWS completed and handed over 48 major capital school projects, providing new halls, libraries, administration buildings and specialist high school classrooms valued at \$118 million and 12 TAFE projects valued at \$44.8 million. It also project managed \$72 million of minor capital works, providing new ramps, lifts, security fences and air-conditioning for schools.

OPWS enabled DET to meet its service delivery objectives and capital program and budget requirements by assisting it to manage the delivery of site built and modular design range buildings, including administration, library and home base buildings through the Class Size Reduction, Behavioural and Demountable Replacement programs valued at more than \$39 million.

#### Asset management/maintenance

OPWS assisted DET in managing 19 asset maintenance contracts valued at \$104 million. Twelve of these contracts are in regional and country centres, creating employment

opportunities for some 1,594 subcontractors and 3,944 people. The remaining nine contracts, in the Sydney metropolitan area, created employment opportunities for 251 contractors and 2,203 people.

Trials of facilities management contracts were administered for the Riverina and Central Coast areas, which include maintenance, cleaning and waste disposal. Twenty cleaning contracts worth \$258 million that provide cleaning services to schools, TAFE colleges, police stations, courthouses and other government agencies' sites throughout NSW were also managed.

The Surveying & Spatial Information section continued to provide a data capture and management service for all public schools and TAFE Colleges at 2,500 sites.

OPWS, through StateFleet, is a member of the DET Motor Vehicle Strategic Sourcing steering committee established in 2006/07. StateFleet has made recommendations as a part of its fleet management service that on implementation will assist DET to reduce operating costs, make savings in lease costs and improve their environmental performance.

## **Housing**

The \$14 million Essential Services Maintenance Contract was managed on behalf of the Department of Housing. The contract entails maintenance of essential services such as fire safety, sprinkler systems, mechanical services, hydraulic services on Housing's high-rise assets to ensure residents' safety. Other essential services for Housing included the \$1.2 million lift maintenance contract, which involved 85 lift installations, and the \$0.5 million fire alarm monitoring contract.

### **Aboriginal Communities Development Program**

The Aboriginal Communities Development Program is a \$240 million program over 10 years. The program is an environmental health capital construction and upgrade program to target priority communities in NSW with urgent housing and essential infrastructure needs.

OPWS provided program management services to support the Aboriginal Communities Development Program in delivering 181 new house constructions, 90 new house purchases, 634 house refurbishments, 321 emergency repairs, 1,084 people adequately housed, and 3,190 people with improved housing in 22 priority communities. In addition, 74 water and sewerage projects have been completed, to the benefit of more than 3,700 people. Thirteen projects remain underway.

Fifteen Aboriginal building companies have been established with 270 contracts let worth \$55 million. This has resulted in over 250 Aboriginal employees in Aboriginal building companies and also increased Aboriginal participation in other building companies. In addition, 22 Aboriginal people have been trained in water and sewerage maintenance for 12 communities.

### **Department of Ageing, Disability and Home Care in partnership with Commerce**

OPWS continued to provide project management assistance to the Department of Ageing, Disability and Home Care (DADHC) to deliver its program of capital works for its group home strategy. During the year, OPWS project management assistance was provided in relation to the large residential centre rationalisation program.

Expenditure managed on DADHC projects during the financial year was \$58.4 million.

## **Health**

OPWS managed 75 projects for NSW Health across the State with a total project value of \$297 million. Many of these projects were in regional and rural areas.

New cancer care facilities at Coffs Harbour and Port Macquarie were successfully completed in 2006/07 and are providing radiotherapy, chemotherapy and breast screening services for the mid North Coast. OPWS is now assisting in the planning and development of the \$27 million cancer care facility at Lismore. The \$3.5 million Coffs Harbour Cardiac laboratory was completed during the year, as well as Ballina Hospital's new 18-bed transitional care facility and ambulatory care unit.

As Project Director, Commerce is assisting NSW Health and Hunter New England Area Health Service with the works program at Merriwa, Bingara, Warialda and Tingha in north western NSW.

Seven new mental health facilities are being developed with Commerce as project director. These include units at Shellharbour, Sutherland, Coffs Harbour and Newcastle hospitals, a 14-bed specialist older persons unit at Wollongong and a 12-bed unit at Port Macquarie.

The Electromedical group has helped NSW Health save more than \$14.9 million by bulk buying electromedical equipment, such as CT scanners, through its whole-of-government period contract system.

StateFleet signed a Service Level Agreement with Health Support in 2006/07 to manage all aspects of its fleet, enabling Health Support to focus on its core business.

With contemporary scientific knowledge reaffirming the benefits of water fluoridation, NSW Health is actively encouraging local water utilities to fluoridate their supplies. NSW Water Solutions is providing technical assistance for design and construction of several fluoridation plants.

## Justice

In 2006/07 OPWS provided a range of professional services:

- For the NSW Department of Corrective Services (DCS) – OPWS provided planning and design advice for the 1,000 beds project, the design and documentation of new and refurbished visitor facilities, high risk and management facilities and step-down facilities for Mental Health Services at the Silverwater Women's (Mulawa) Correctional Centre, new storage facilities at the Long Bay Correctional Centre, schematic designs for the Cessnock and Lithgow correctional centres and design and documentation of refurbished staff accommodation at the Corrective Services Academy
- OPWS is providing program and project management for a \$556.7 million program of works for DCS. Works handed over in 2006/07 include the Silverwater Women's (Mulawa) gatehouse, clinic and Mental Health Unit as part of the \$49 million Mulawa Redevelopment, the first stages of the Mid Western Correctional Centre at Wellington, and the new \$3.075 million Dog Squad and Armoury at Berkshire Park. In addition, asset maintenance contracts worth \$15 million were administered for DCS
- OPWS, in conjunction with the State Property Authority, is managing the development of the Parramatta Justice Precinct. The precinct with total projects cost of \$330 million, comprises two new court buildings, new head office for the Attorney-General's Department and refurbished facilities for NSW Health. The Children's Court was opened in October 2006. The project is on budget and will be delivered on time, with completion in early 2008.
- The NSW Attorney-Generals Department – the Government Architect's Office (GAO) provided feasibility designs for the Wagga Wagga and Taree courthouses
- OPWS provided project management services for the Department of Juvenile Justice in developing business cases and undertaking Gateway reviews for two major projects, including the redevelopment of the Riverina Juvenile Justice Centre. In addition, economic appraisals for a new accommodation pod at the Orana Centre at Dubbo and a security services upgrade were also completed, and the preparation of new facility standards for capital works projects commenced. Feasibility designs for the new centres and accommodation pod were also undertaken
- GAO provided designs and OPWS provided project management services for five new police stations at Lismore, Armidale, Muswellbrook, Campsie and St Mary's, with Armidale and Muswellbrook being completed. The new Forensic Facility was completed as was the final stage of the Cell Improvement Program
- The NSW Police Integrity Commission – OPWS provided design works for new head office accommodation fit out.

## Heritage

### Centenary Stonework Program

OPWS delivers the Minister's Centenary Stonework Program, which funds conservation of the stone exteriors of the State's significant heritage buildings and monuments. Projects funded during 2006/07 included Sydney and Royal Prince Alfred hospitals, Darlinghurst and Singleton courthouses, Cleveland Street, Marrickville and Glenmore Road (Paddington) schools. The Program provided \$4.6 million of funding in 2006/07 and recipient agencies funded a further \$1.5 million.

### ANZAC Memorial, Hyde Park

The ANZAC Memorial is a significant Art Deco monument, erected in 1934 in Hyde Park Sydney. GAO developed a conservation management plan and a draft master plan to guide the trustees of the memorial in the care, maintenance and use of the building and its setting.

## Water

### Water Audits

GAO conducted water audits on numerous facilities to accurately measure water usage and identify potential savings. In 2006/07, total water savings of 1,720 megalitres were identified, an average of 40 per cent reduction in water usage for each site, an increase from last year's average of 30 per cent.

Significant savings were achieved in all sectors including a 60 per cent water use reduction at the Sydney Cricket Ground and Aussie Stadium and 70 per cent savings at the Sydney Olympic Park Aquatic Centre, achieved by fixing leaks in automatic flushing urinals.

All hospitals in the Sydney metropolitan area are now being audited and savings of over 185 megalitres a year have been identified and are being implemented.

All correctional centres in the metropolitan area are also being audited and some innovative rainwater and sewer-mining projects are being designed to replace irrigation and cooling tower water.

### Permanent monitoring

The GAO Water Savings section installed water flow monitoring devices at over 60 sites for Sydney Water. Water usage data is displayed over the Internet using a web monitoring facility developed by OPWS. Staff at each of these sites monitor the data, enabling them to manage their water usage at a greater level of detail.

### Water re-use studies

The drought has raised the awareness of many businesses that now want to implement alternate water supply systems and OPWS was engaged to prepare feasibility studies and designs for stormwater and rainwater harvesting, sewer mining and swimming pool backwash re-use projects. Councils are becoming more interested in treating and re-using swimming pool backwash water from their aquatic centres to top up the pools, flushing toilets and irrigate playing fields. OPWS has designed several systems and was able to achieve cost effective payback periods through effective designs and advanced technologies.

### Dams

The NSW Water Solutions Dams & Civil section successfully finalised design specifications for the new Shannon Creek Dam in the Clarence Valley and is now providing specialist technical input for the dam's construction. OPWS is providing project management services for the construction of the dam.

Other key water storage projects included design studies for the proposed new Stony Creek Dam for Eurobodalla Shire, Yass Dam raising for Yass Shire, Mardi Dam raising and transfer system for Gosford-Wyong, Bootawa Dam raising for Mid Coast Water, the proposed new Nambucca Dam and Clarrie Hall Dam raising for Tweed Shire Council.

The Sydney Catchment Authority (SCA) commissioned OPWS to project manage, investigate and design the engineering upgrade works to provide improved and innovative environmental flow releases and fish passage facilities at Tallowa Dam on the Shoalhaven and Dams & Civil section was selected by the Hunter Water Corporation as the preferred dam designer for Tillegra Dam.

OPWS continues to play an important role in NSW dam safety through its membership and contribution to the NSW Dams Safety Committee and by conducting safety inspections for dams, dam break studies, and reviews of dam safety emergency plans.

### **State levees**

The success of OPWS' expertise in levee design was clearly indicated during the June 2007 Hunter Region floods, where its Hunter River levee spillway design prevented flooding of Maitland.

Investigation and design of major upgrade works to the town flood protection levee at Walgett is currently in progress.

### **NSW Water Recovery Program**

In view of the severity of the drought, an urgent detail design was completed for a temporary sheet pile regulator at Back Creek at its off-take from the Murray River in NSW to prevent water losses and to help channel emergency water flows to Adelaide.

### **Water supply**

Under the Sydney Metropolitan Water Plan regional strategies and individual client needs, OPWS played a major role in assisting line agencies. OPWS involvement included:

- Strategic advice to SCA, Department of Water and Energy (DWE), Department of Environment and Climate Change (DECC), Sydney Water Corporation and Department of Premier and Cabinet
- Concept, design and project management for SCA's deep water access for Warragamba, Nepean and Avon dams and a safety review of Avon and Nepean dams
- Investigation, design and project management for the new raw water pump station at Prospect Reservoir
- Investigation and design of the raising of environmental flows for Tallowa Dam
- Investigation of the upgrading of the Shoalhaven transfer system
- Optimisation of the Upper Canal transfer system, which feeds into the Prospect Reservoir,
- Investigation and design works to deliver 60 megalitres of borewater per day from the Kangaloon-Nepean borefield
- Technical advice to Gosford-Wyong Water Supply Authority (GWWSA) to develop and implement drought management plans and expert advice about portable seawater desalination plants to enable GWWSA to procure them if required during the drought
- Developing options for the Mardi to Mangrove Creek dam transfer system and the detailed design of the Mardi High Lift pumping station on the Central Coast
- Technical advice, design and project management projects for Wyong Council including the Hunter Connection water pipeline consisting of 20 kilometres of pipeline to link the Hunter Water Corporation's supply network, including management of the 10.5 kilometre northern portion of the pipeline connection
- Investigation and concept design of Goulburn Mulwaree Council's emergency water supply pipeline project involving 90 kilometres of pipeline from Wingecarribee Dam to Goulburn
- Detailed design for the Bega Valley pipeline (20 kilometres) and the Moruya pipeline.
- Technical advice was provided to Dubbo City Council for the design and construction procurement of its 80 megalitres per day Dubbo water treatment plant
- Strategic water management work included five strategic business plans, eight development servicing plans, two service pricing plans, three best practice audits and three economic appraisals, in addition to project management of demand management plans, drought management plans and yield studies, integrated water cycle management plans, and five fair value valuations for the water infrastructure assets.

## **Wastewater**

OPWS carried out over 80 wastewater projects for clients, involving strategic planning, investigation, concept development, design and documentation, construction, operational guidelines, and SCADA and telemetry system upgrades, primarily for municipal sewerage schemes in regional NSW.

Major wastewater projects included:

- Investigation and design of an upgrade of the Grafton Sewerage Scheme to accommodate an additional 30,000 people with estimated capital cost of \$30 million
- Batemans Bay Sewerage Scheme - investigation and concept development
- Camden Haven Wastewater - an innovative concept design to improve the level of wastewater treatment to permit non-potable urban re-use of the effluent
- Design and tender documents for the Mulwala Sewerage Scheme, worth an estimated \$11 million in capital cost
- Investigation, concept development and design for sewage treatment plants at Clarence Town, Evans Head and Tumut
- Development of a Sewage Treatment Plant Operations and Maintenance Manual for the NSW Water Directorate, serving virtually all NSW regional councils.

## **Manly Hydraulics Laboratory**

### **Environmental water monitoring**

Manly Hydraulics Laboratory (MHL) continued to collect, manage and deliver essential water information for several State and local government agencies, including DECC, DWE, Sydney Water, SCA and councils.

Using the digital mobile phone network, water data is automatically transmitted from MHL's network of some 1,000 field instruments to its Manly Vale facilities. The near real-time information is quality controlled, processed and presented on websites for easy access by clients, agencies and the public.

### **Physical hydraulic modelling**

MHL also continues to be a national leader in physical hydraulic modelling for water infrastructure and in the past year physical modelling for dam projects increased significantly.

Recent and current testing of dam projects at MHL include: Burrendong Dam and Googong Dam spillways, Tallowa Dam spillway and fish passage, and interstate work at Wellington Dam spillway (WA), and Lake Manchester Dam spillway (QLD).

## **Environmental waterways**

### **Fishways**

NSW Water Solutions continued to make a major contribution to the Living Murray initiatives and the NSW Water Innovation Program, maintaining its position as the lead fishway and river structures designer for the Murray Darling Basin Commission and inland NSW streams.

Following highly successful fishway designs at Locks 1, 7, 8 and 10 on the Murray River, the final layout and detail design were completed for a new innovative dual fishway structure for Lock 3. Similar designs for fishways at Locks 2 and 5 are well advanced, with Locks 4 and 6 soon to follow.

Fishway designs were also completed for Brewarrina Weir on the Darling River and Lake Cargelligo Weir on the Lachlan River.

State Water has engaged NSW Water Solutions to develop state of the art fish passage solutions for both the upstream and downstream migration of native fish species at Keepit Dam.

### **The Living Murray**

Detailed concept designs were completed for engineering works to provide a more natural watering regime to the Koondrook Perricoota Forest area and further solutions are being pursued to improve the sustainability of a three to four year watering cycle for the regeneration of this river red gum forest.

NSW Water Solutions is carrying out similar studies for the Lake Moira Wetlands and the neighbouring Algeboia Grasslands.

Complex river modelling studies were commenced for the 150 kilometre long Edwards-Wakool River system to identify engineering solutions to the unnatural flooding cycle and the resulting ecological damage to forests and wetlands from regulated flows.

### **Darling Anabranh Project**

The Darling Anabranh project, with a total budget of approximately \$54 million, seeks to save some 47,000 megalitres of water per year and return a degraded river environ to a more natural ephemeral system by constructing a pipeline, pump stations and associated on farm works, modifying and removing in stream structures to allow the free passage of environmental flows, and reinstating an adaptively managed environmental flow regime.

Stage 1, the 317 kilometre Darling Anabranh Pipeline and pumping stations on the Murray and Darling rivers, was completed eight weeks ahead of schedule, and has been delivering stock and domestic water to 41 drought affected properties since 18 December 2006.

OPWS was responsible for project and construction management, design and construction documentation, and surveying, geotechnical investigation, environmental support and advice. During construction, 43 local Aboriginal community members were employed, participating in both cultural heritage protection and construction activities.

Pre-construction works have now begun on Stage 2 Darling Anabranh In Stream Structures project, due for completion by mid 2008.

## **Environment**

### **Reduction of greenhouse gases**

In an initiative of the NSW Greenhouse Plan, a Memorandum of Understanding between the NSW Greenhouse Office and Commerce created a partnership to investigate and facilitate the reduction of highly potent synthetic greenhouse gases in refrigeration, ensuring Government is leading by example in reducing emissions.

The completed investigation found that limited alternatives to synthetic refrigerants are commercially available for some refrigeration applications (commercial air conditioning, domestic refrigerators), while alternative refrigerants for other applications (residential air conditioning, car air conditioning) are still under development. Guidelines for the use of available alternatives are being developed.

StateFleet is at the forefront of vehicle related environment issues, providing policy advice to the Department of Premier and Cabinet and through representation on various government committees and panels. Notable achievements during the year included:

- The NSW Government Cleaner Fleet initiative set targets for an overall environmental performance score (EPS) for the NSW Government fleet. The EPS for NSW fleet progressed from 9.55 in July 2005 to 10.82 in July 2007
- The Cleaner Fleet initiative recommends that the NSW fleet has one per cent of its passenger fleet as hybrid technology vehicles and further recommends the removal of V8 powered vehicles from the NSW Motor Vehicle Contracts, except for special purposes. This target was exceeded for 2006/07 with 1.5 per cent of NSW Government fleet comprised of hybrid vehicles.

### **Energy management - Lighting upgrades in schools**

During 2006/07, 3,200 luminaries of lighting at Dapto, Model Farms and Picton High schools were upgraded or replaced. This increased average classroom illuminance by over 50 per cent while the total energy consumed by the schools is expected to reduce by 14 per cent based on the consumption data for February to May in 2006 and 2007.

Resultant emission saving is expected to be 158 tonnes annually and annual electricity costs are expected to fall by \$18,500 for the three high schools. It is expected that up to 160 schools will receive lighting upgrades in the next four years, using similar methods and technology.

## **Parliament**

OPWS assisted Parliamentary Building Services to identify nine energy and water saving projects to "green" Parliament House. The assistance included funding submissions for these projects from NSW Treasury, the Energy Savings Fund and Water Savings Fund, and implementing the projects. When these projects are completed, Parliament House can showcase significant energy and water savings, achieved through measures that include harvesting rainwater.

## **Security/Business continuity planning**

Central Corporate Services Unit (CCSU) underwent the fourth successful independent Information Security surveillance audit in October 2006 which confirmed that CCSU continued to comply with the requirements of AS/NZS 7799.2:2003, Specification for Information Security Management Systems.

Project Management introduced a Business Continuity Management Plan. This provides a structured approach to organising business processes and resources in the event of a major failure or disaster within the business or community, ensuring continued delivery of key business services to clients.

## **Asset management**

NSW Water Solutions worked with the NSW Zoological Parks Board (Taronga and Western Plains Zoos) to develop strategic asset plans. A three year involvement with the zoo was successfully completed with delivery of a strategic asset management plan, maintenance management plan and specification for a computerised maintenance management system and management of the Computerised Maintenance Management System contract.

The Department of Planning, the former Department of Natural Resources, State Records and the Rural Fire Service were among the agencies given assistance by NSW Water Solutions during the year to develop their Total Asset Management Plans for submission to Treasury along with their Results and Services Plans.

NSW Water Solutions also provided specialist property information services to the Sydney Harbour Foreshore Authority (SHFA) in 2006/07. The development this year of the Google Earth based internet site increased SHFA's access to the asset data held by Commerce. The data includes extensive property asset data, including plans and titles for each property within SHFA's area of operation.

The Surveying and Spatial Information section has conducted surveys in the Perisher Valley resorts area for Department of Environment and Climate Change since 2002 to accurately record the location and nature of built assets, including water supply, sewerage and drainage services.

The Geotechnical Unit deals with hazardous materials and contamination of government-owned sites and assets. During the year it provided specialist investigations and expert advice for more than 40 public schools, TAFE colleges and correctional centre sites.

## **Safety in construction and maintenance**

Commerce continues to demonstrate its major commitment to workplace health and safety when providing design, project, contract and construction management services for its clients' construction and maintenance projects.

Construction contractors engaged by Commerce on behalf of its clients, including its Heritage and Building Services Group, achieved a Lost Time Injury Frequency Ratio (LTIFR) of 3.7 injuries for each million hours worked. This compares favourably with the NSW construction industry's performance of over 20 LTIFR for 2004/05, the latest published figures.

Commerce's safety performance has been achieved by introducing an effective safety management culture supported by a system accredited under the NSW Government's Occupational Health and Safety Management System Guidelines. Commerce's system includes the engagement of contractors who have demonstrated satisfactory safety management, the

review of safety management plans to ensure they are appropriate for the works, and the auditing and review of the contractors' implementation of their safety management plans.

## **Safety**

StateFleet worked with the Road Safety Directorate, Roads and Traffic Authority during 2006/07 to formulate draft Government Fleet safety policies to be submitted to NSW Cabinet.

OPWS also administers \$5 million of state-wide security and cash in transit contracts that provide security guards patrol services to government agencies.

## **Emergency Management**

### **Engineering Emergency Management**

Under the State Disaster Plan, Commerce manages, coordinates and undertakes the specialist engineering services function in the State Emergency Management Committee. In 2006/07, Engineering responded to a number of emergencies including major building fires, the Mount Tomah bushfires and damaged structures.

#### **Newcastle/Hunter Region**

In June 2007, Engineering undertook a major response and recovery deployment for the Newcastle and Central Coast storms and floods.

Engineering Services Emergency Management team deployed staff to the region, including one staff member in the role of Engineering Services Functional Area Controller.

Other local Commerce staff and specialist engineers supported the State's emergency phase of the response effort from 8-11 June 2007, by:

- Collecting and transmitting real time data by the Manly Hydraulics Laboratory to allow emergency management agencies to forecast river response to the storms and make key emergency management decisions
- Managing cleanup and repairs to public buildings including schools
- Providing hydrographic survey data about the Hunter River entrance and adjacent offshore areas, including off Nobbys Beach where the ship Pasha Bulker was beached, to Newcastle Port Corporation for use in the salvage activity
- Participating in the planning for any potential cleanup as a result of the grounding and refloating of the Pasha Bulker
- Administering the Natural Disaster Relief Assistance funding, on behalf of NSW Treasury, to those local government authorities eligible for assistance
- Operating the telephone emergency response service for government agencies to provide assistance with repairs and building maintenance
- Assisting in the establishment of Newcastle Disaster Recovery Centre providing the one-stop-shop government and NGO services to the community
- Assisting NSW government agencies in recovery efforts by StateFleet organising suitable short-term rental vehicles at short notice for the Hunter New England Area Health Service, DADHC and Department of Community Services.

### **Natural Disaster Relief Administration**

Commerce administers financial assistance to local government councils and certain catchment management authorities under the Commonwealth and NSW Government Natural Disaster Relief Arrangements. The financial assistance is available to restore council assets damaged by declared natural disaster events. Councils have up to three years to complete works and claim reimbursement.

During 2006/07, Commerce made available \$1,890,710 worth of financial assistance for completed works consisting of 20 payments to 15 councils covering nine disasters. Payments completed included \$308,271 to Penrith, Ryde and Parramatta councils for the storm of 2 February 2005; \$697,856 to various North Coast councils for the flood of 30 June 2005; \$406,802 to Clarence Valley Council for the storm of 1-2 December 2005 and \$312,389 to Albury City Council for the storm of 2 December 2005.

## Awards

Commerce's performance and capability continued to be recognised through its success in the prestigious Australian Institute of Project Management's Achievement Awards.

Commerce staff won the 2006 National Individual Project Management Award for the third consecutive year and the NSW Students Award for 2006, while the Lismore Levee project won the 2006 NSW Regional Development category.

## 2006/07 Performance indicators

Commerce Goal 1 - Maximise value for Government agencies in delivering services to clients, customers and community

### Corporate performance

Service Group	Indicator/Measure	05/06 Actual	06/07 Target	06/07 Actual	Comments	Target 07/08
Office of Public Works and Services (OPWS)	% of projects managed by OPWS completed on time.	93%	95%	<b>88.67%</b>	Target reflects a broader base of projects than delivered in previous years and is still considerably higher than international benchmarks.	85%
	% of projects managed by OPWS completed within budget.	95%	95%	<b>92.33%</b>	Target adjusted to reflect industry benchmarks	85%
	% of client satisfaction with asset solutions developed on behalf of client agencies.	83%	80%	<b>87.56%</b>	Achieved	80%

Service Group	Indicator/Measure	05/06 Actual	06/07 Target	06/07 Actual	Comments	Target 07/08
<b>Project Management</b>	Lost Time Injury Frequency Ratio score to be 20% better than industry on Commerce managed projects.	3.1 LITFR 65% Better than industry	20% better than industry	<b>Measure exceeded 57%</b> <b>Better than industry. Commerce achieved 3.7 lost time injuries per million hours worked.</b>	Industry benchmark is 21.3 lost time injuries per million hours worked. <i>Workcover NSW Statistical Bulletin 2004/5</i>	20% better than industry
	% of business case outcomes accepted by client.	100 %	95 %	<b>100 %</b>	Achieved	95 %
	% of business cases that pass through the Gateway and Budget Committee	100 %	95 %	<b>100%</b>	Managed two business cases, both of which passed through the Gateway process, but neither were funded by the Budget Committee. ie 100% for passing the Gateway Review and Not Applicable for Budget Committee	95%
	% of DET asset costs compared to other jurisdictions.	3 %	5 %	<b>13 %</b>	Achieved. 13% less than the average cost per square metre for primary schools in WA and SA	5%
	% Objectives of Minister's stone program met.	100 %	100 %	<b>100 %</b>	Achieved	100 %

Service Group	Indicator/Measure	05/06 Actual	06/07 Target	06/07 Actual	Comments	Target 07/08
<b>Government Architect's Office</b>	Cost savings in \$millions to Government and non-profit organisations using electricity contract C777	New	\$11M	<b>\$27M</b>	Escalation in electricity prices is greater than when targets were set.	\$14M Actual savings will depend on the volatility of electricity prices during 07/08
	Water savings identified in Megalitres per day	New	1450ML	<b>1691ML</b>	Ahead of Target	1500ML
	Number of expert design reviews undertaken for Government Agencies.	New	18	<b>37</b>	Ahead of Target	20
	Number of hits on the building Price Index (BPI) website.	New	6600	<b>7158</b>	Ahead of Target	6600
<b>NSW Water Solutions</b>	% of required environmental data successfully captured by MHL for State natural resource management agencies and for storm/flood/estuary events.	94 %	90 %	<b>93.06 %</b>	Ahead of Target	90 %
<b>State Fleet</b>	Government average fleet "environment performance score" target met.	9.88	11	<b>10.82</b>	Working towards achieving target.	12
	Average resale values within +/- 10% of set residual value.	-12 %	+/- 10 %	<b>1%</b>	Achieved	+/-10 %

Service Group	Indicator/Measure	05/06 Actual	06/07 Target	06/07 Actual	Comments	Target 07/08
<b>Central Corporate Services Unit</b>	% variance of transaction cost against benchmark.	18 %	20 %	<b>24 %</b>	Achieved	20 %
	% client satisfaction with CCSU services	94%	85%	<b>93%</b>	Achieved	85%
<b>Human Services Better Service Delivery Programme</b>	% client satisfaction with the delivery of ICT Human Services projects	-	75%	<b>81.3%</b>	Achieved	75%
<b>Facilities Management</b>	Achieve a reduction in workers compensation costs in Govt. Cleaning Contract as evidenced by reductions in the WorkCover Industry Classification rate	New indicator for 06/07	WIC rate at June 2005 of 16.23 % was used as the target	<b>12.52 %</b>	Achieved	11 %

1 Source: Workcover Statistics 04/05.

## NSW Procurement

Commerce Goal 1 – Maximise value for government agencies in delivering services to clients, customers and community

Commerce Goal 2 – Simplify processes for dealing with government

NSW Procurement is the NSW Government's centre of expertise for the procurement of capital assets and goods and services, including information and communications technology (ICT). It delivers efficiencies and cost savings through leading edge procurement strategy, advice, products and processes and business solutions for government agencies.

NSW Procurement also leads government procurement reform that is shaping new pathways for further savings across government. Financial and productivity savings are a significant source of funds through which the NSW Government is improving service delivery to NSW communities. Cost savings in government procurement expenditure are a critical way to help fund key front-line services, such as health, education, transport, housing and human services.

NSW Procurement offers services that deliver value, minimise costs and manage risk across the government. Its key services include:

- establishing and administering state contracts and providing strategic sourcing and supply management advisory services
- design and delivery of efficient and effective procurement systems and guidelines including Gateway reviews, supplier management systems and contract dispute facilitation services
- designing and providing on-line procurement tools, solutions and services including smartbuy® and NSW eTendering

- implementing People First as a coordinated government-wide approach to ICT planning in collaboration with the Chief Information Officers' Executive Council (CIOEC) and government agencies
- providing strategic advice in the procurement of government communications, advertising, publishing and information services
- delivering State Broadband service, Government Radio Network and NSW Government web-portal and Government Licensing System
- setting standards and providing guidance and services to improve records management across the NSW public sector, including preserving the State archives and promoting their use.

### **Cost Savings**

Delivered \$622 million of estimated cost avoidance savings, made up of \$482 million from the use of state contracts, administrative cost savings of \$41 million, \$44 million from the use of master Media and Placement Contract, process efficiency savings of \$40 million from eProcurement and \$15 million cost avoidance from other procurement services.

### **Strategic Sourcing Services**

Strategic Sourcing takes a holistic approach to procurement and aligns procurement activities to the agency business needs and operating environments, thereby achieving sustainable cost benefits.

In 2006/07, overall \$82 million savings were delivered through strategic sourcing initiatives, exceeding the target of \$79 million.

### **People First - NSW Government ICT Strategic Plan**

*People First* established the framework for a coordinated government-wide approach to ICT planning, expenditure and allocation of resources. It is a key mechanism to deliver the NSW State Plan and will deliver estimated savings of \$565 million over four years.

Implementation of *People First* is being supported by 17 programs of work, each with a CIO working group, drawing on expertise and advice from over 90 agency ICT staff.

In the past 12 months, over 60 supporting projects have been identified, scoped and/or initiated to implement *People First*.

Commerce has identified the potential to save \$50 million a year on Government Telecommunications Agreements. This is based on an average spend of \$250 million across all telecommunications categories. Potential savings of \$30 million a year have also been identified for Personal Computers, servers and associated services based on an average annual spend of \$175 million.

The plan consists of several distinct ICT strategies and programs under the following five priority groups:

- Front-line Service Improvement
- Customer Service Improvement
- ICT Cost Savings
- Standards and Principles
- ICT Governance.

### **NSW Procurement Reforms**

NSW Procurement co-ordinated implementation of the procurement reforms, which aim to get better value for agencies from procurement and build on the Government's investment in procurement systems and capability. Premier's Memorandum 2006 –11 on NSW Procurement Reform was released in July 2006 covering three key areas:

- State Contracts Control Board (SCCB) contracts
- all agencies are required to use the State contracts
- electronic procurement.

All major agencies are to implement electronic procurement of their goods and services by June 2007, with smartbuy® being the Government's default electronic procurement system.

All agencies are to make their Requests for Tender documentation and tenders available to be lodged through [www.tenders.nsw.gov.au](http://www.tenders.nsw.gov.au).

### **Agency Accreditation Scheme**

The development and introduction of an Agency Accreditation scheme for goods and services by July 2007.

The procurement reforms requirements apply to all statutory authorities, trusts and other government entities, excluding state owned corporations.

### **State Contracts**

In 2006/07, the spend through the SCCB contracts was \$3.6 billion, reflecting a growth of 5.6 per cent on the previous year.

### **eProcurement services**

NSW Procurement managed and promoted a number of electronic services, including eTendering and smartbuy®, the NSW Government electronic marketplace. smartbuy® and eTendering have helped agencies to improve procurement efficiencies, by reducing costs and avoiding infrastructure duplication.

### **eTendering**

NSW eTendering provided a complete electronic tendering process that is standard for all government organisations and grew by 35 per cent on the last year. In 2006/07, 1,841 government tenders were published on the eTendering system, compared to 1,373 tenders in 2005/06.

### **smartbuy®**

In 2006/07 the use of smartbuy® increased significantly. Orders valued at \$224 million were placed (up from \$109 million in 2005/06). More than 44,000 purchase orders were placed through the system, compared to 23,000 in 2005/06.

All SCCB suppliers are now able to receive purchase orders from NSW government agencies through the smartbuy® CONNECT systems.

### **Agency Accreditation Scheme, Goods and Services**

The Agency Accreditation Scheme for goods and services procurement was established. The Scheme is administered by the SCCB and is based on agencies' assessed procurement capabilities.

### **Information and communications technology procurement**

NSW Procurement has gone to the market as a single NSW government buyer to obtain the best possible whole-of-government price from ICT suppliers.

### **PC Contracts**

New contracts standardising government requirements for personal computers and notebooks will save more than \$30 million a year. The benefits of such an approach include a single technical specification, (which makes selection of software easier and a single Government Standard Operating Environment more achievable), environmentally sensitive disposal of old PCs and the establishment of a supplier panel consisting of Australian personal computer suppliers with local assembly facilities, part of the NSW commitment to encourage local industry.

### **Government Telecommunications Agreements**

In March 2007, Commerce signed new Government Telecommunications Agreements (GTAs) that will cut the State's annual telecommunications costs by more than \$50 million a year from 2007/08.

The new arrangements significantly reduce red tape and tender costs for suppliers and many agencies will benefit from savings of more than 30 per cent on the cost of a standard fixed line call.

### **Government Selected Application Systems**

A comprehensive review of the Government Selected Application Systems (GSAS) program was undertaken in 2006/07. GSAS 2007 will change the way the government purchases software applications for finance, payroll and human resources systems across government agencies.

GSAS 2007 will ensure that the Government maximises the benefits from these applications and reduces the cost of acquiring, implementing, maintaining and supporting them. The changes follow an independent review of the major enterprise resource planning systems that are available and supported in Australia.

### **NSW Government Procurement Guidelines**

#### **NSW Government Tendering Guidelines**

The NSW Government Tendering Guidelines are designed to provide agencies with a structured approach to planning and implementing tendering and associated processes. The revised guidelines were released in December 2006 and complement those in the NSW Government Code of Practice for Procurement. They provide industry with an appreciation of the processes followed by NSW Government agencies to ensure fairness and probity in tendering.

#### **Aboriginal Participation in Construction Guidelines**

The policy to encourage Aboriginal employment on government construction projects was strengthened by the publication of new Aboriginal Participation in Construction Guidelines in February 2007.

#### **Contract Dispute Resolution Guidelines**

Contract Dispute Resolution Guidelines were developed as part of the NSW Procurement System for Construction, giving project managers a valuable resource with which to plan a contract resolution process.

#### **Capital Project Estimating Guidelines for Construction (draft)**

The draft Guidelines were completed and released in December 2006. These are provided to assist all NSW budget-dependent general government agencies to obtain best value for money from capital investments by providing agencies with a structured approach to developing construction estimates and budgets for inclusion in the NSW Budget and for their management of project performance to meet the agreed budget.

#### **Gateway Review System**

The Gateway Review System is a significant initiative of the NSW Government that is aimed at improving the procurement discipline of capital infrastructure, information technology, property and accommodation and goods and services acquisitions. In 2006/07 48 Gateway Reviews were conducted for \$2.4 billion worth of projects. This was an increase from 2005/2006 when 32 Gateway reviews were conducted.

The Strategic Gate was mandated for all ICT Projects valued over \$1 million. A new ICT Strategic Gate Workbook (\$1m-\$5m) was added to the suite of Gateway Workbooks. A new training course, Building a Credible Business Case, was added to the Gateway education program. Offered through the Institute of Public Administration Australia, this course provides participants with tools and practical skills in all areas of business case preparation, from problem or opportunity identification to preparing final documents for funding submissions.

#### **NSW Government Procurement System for Construction**

The procurement system for construction consists of instrument templates, guidelines, tools and systems that help agencies select procurement strategies, develop tender and contract documents, contract risk allocation, select service providers, manage contracts and resolve contract disputes.

### **GC21 Construction Contract**

The NSW Government construction agencies, including Commerce, developed the New South Wales Government General Conditions of Contract for Design and Construction, GC21. This contract form enables Government to take a more uniform approach in its contractual dealings with the construction industry. The dollar value of the contracts under GC21 for 2006/07 was \$686 million.

### **Best Practice Contractor Accreditation Scheme**

The NSW Department of Commerce Contractor Best Practice Accreditation Scheme is designed to foster better and more consistent outcomes by working with contractors committed to continuous improvement in a wide range of functions and long term relationships with Government while ensuring that ethical principles are enacted across their organisations. Accredited contractors meet government standards for performance, resource capability, financial viability and stability, co-operation and client relationships and the management of safety, quality, environment, industrial relations and employee training and development. Thirty-one contractors are accredited. Benchmarking of performance criteria indicates that the overall performance of Best Practice Accredited contractors exceeds the performance of all other contractors carrying out construction work.

### **Consultant Prequalification Scheme**

The Consultant Prequalification Scheme document was completed and invitations called for applications for the new ICT Project Assurance Advisors Prequalification Scheme 2006–2009.

### **Integrated performance management system**

The NSW Government Procurement System for Construction Guidelines and documentation for the integrated performance management system were made available on-line in November 2006. This system incorporates the updated contractor performance reporting, consultant performance reporting, project manager performance reporting and the new stakeholder performance reports.

### **Provision of financial assessment services**

In 2006/07 there were no insolvencies for Commerce prequalified contractors.

A total of 1,336 contractor financial assessment reviews were completed for procurement of construction and goods and services valued at around \$1 billion. This was an increase from 1,100 assessments undertaken in 2005/06.

### **Dispute resolution advice and facilitation**

In 2006-2007 Policy Support Services provided dispute resolution advice and facilitation for a diverse range of projects and agencies. Contract management advice was provided in response to approximately 150 separate enquiries. Around half of the enquiries related to providing advice in respect of contractual disagreements and the rest concerned contractual advice in the service of dispute prevention.

### **Procurement Certification Training**

The Procurement Certification Training Program is aimed to improve the procurement capability throughout NSW government, providing a nationally recognised foundation, and leading to tertiary and postgraduate qualifications.

In 2006/07, NSW Procurement delivered 28 courses to 672 participants to improve the procurement skills of staff in NSW government agencies. This was an increase from 2005/2006 when 25 courses were run for 282 participants.

## **Communications and Advertising Services**

NSW Procurement provided strategic advice in the procurement of government communications, advertising, publishing and information services. Key achievements included:

### **Advertising consultancy services**

Communications and Advertising offers a consultancy service to government agencies to help them ensure the best results from their advertising. It centrally coordinates campaign submissions and is able to offer day-to-day advice and help to agencies.

The graphic Cancer Institute advertising campaigns proved highly effective, contributing to a reduction in the numbers of people smoking in NSW from 20 to 17 per cent.

Communications and Advertising was involved in developing a number of priority advertising campaigns for government including flu vaccinations for NSW Health, business confidence for the Department of State and Regional Development and various tourism campaigns.

All advertising campaigns with a total budget of \$50,000 or more were subject to a peer review process, which provided agencies with an informed and independent assessment of the campaign's robustness.

During the year, 47 campaigns were submitted for peer review, resulting in improved and more effective strategies.

### **Media cost management**

As a result of the centralised government media contract, all advertising was booked through one of Australia's largest media buying agencies. The contract maximises the government's leverage in the discount on media placement rates by consolidating all advertising through one central buying point. Annual negotiations on advertising rates are conducted directly with the major media groups to ensure both price and service benefits.

In 2006/07, \$111.7 million expenditure was processed through the Master Media and Placement Contracts resulting in \$44 million in savings.

### **Recruitment advertising services**

In 2006/07 Communications and Advertising handled recruitment advertising for more than 100 government agencies. It placed 9,374 jobs advertisements in newspapers, and published in the Public Sector Notices and on the government's recruitment website, jobs.nsw. Taking into account the moratorium on recruitment during the March 2007 state election, this represents a growth on a pro rata basis from the 2005/06 figure of 10,004.

## **Government Chief Information Office**

The Government Chief Information Office (GCIO) plays a key role in ensuring that the Government's ICT strategies and associated programs meet the needs of the people of New South Wales.

GCIO's role was further strengthened by the ongoing activities of the NSW Government CIO (Chief Information Officers) Executive Council (CIOEC).

### **NSW Government CIO Executive Council**

The CIOEC is a working partnership between GCIO and NSW government agencies. It was established by the NSW Government CIO to advance the implementation of People First - the NSW Government ICT Strategic Plan.

Together with officers from GCIO and cross-government working groups, the CIOEC has initiated and planned the ICT projects that implement People First.

### **Better government access**

One of the major programs to be supported by People First is the NSW Government's plan to establish a single toll-free telephone number and a unified government services web portal, announced in March 2007.

Just as 000 works for all emergency services, the new non-emergency single toll-free telephone number will be a single point of contact for government.

The single Government services web portal will consolidate more than 300 agency websites into an integrated service, presenting a single cohesive face to the community and making it easier to access information. Not only will this improve service to the public, it will also generate real savings to the NSW Government.

### **Government Broadband Service**

The NSW Government Broadband Service provides cost-effective and high capacity broadband services to over 1,000 government offices in 24 NSW regional centres.

The service is improving Government on-line service delivery in the following areas:

- provision of specialist teaching to small or remote schools
- access to expert medical advice from regional hospitals
- video-conferencing of court and other proceedings
- agencies use shared applications thus greatly increasing their efficiency.

The projected savings for Government are estimated at \$50 million over five years. The Department of Education and Training alone saved \$4 million on broadband costs in 2005/06.

In conjunction with the Commonwealth Government, GCIO laid a fibre optic link between Lithgow and Parkes, via Bathurst and Orange, that is now being used to support Charles Sturt University and NSW government agencies.

### **Wireless broadband**

In November 2006, the NSW Government called for expressions of interest from industry for the development of a free or low cost wireless broadband service in the main central business districts of the State.

It is proposed to use wireless technology that can be accessed from an increasing range of everyday consumer electronic devices such as phones and laptops.

### **Long Term Radio Strategy**

The final \$10 million worth of a total \$30 million of digital radio terminals were delivered to the agencies with emergency management responsibilities in May 2007 as part of the upgrade of the Government Radio Network (GRN) from analogue to digital.

### **Government Radio Network**

The NSW Fire Brigade, the State Emergency Services, the Rural Fire Service, the Ambulance Service of NSW and 36 other agencies rely on the GRN for their radio dispatching.

A four-year strategic program is now well advanced to digitise the network, to enable the introduction of digital encryption and keep the network technology current.

The GRN covers approximately 40 per cent of NSW and 75 per cent of the potential user base. Twenty additional sites have been built along the NSW South Coast, and will become fully operational June 2008.

The network is extremely resilient and consistently maintains a yearly availability of over 99 per cent. The June 2007 storms and floods in the Hunter and Central Coast regions had widespread effects on the power and telecommunications services. However, the resilience of the GRN ensured that the basic services were maintained to support emergency relief operations.

### **Mobile Data Radio Service**

Mobile Data Radio Service (MDRS) is a unified digital mobile data network to provide low bandwidth, time critical mobile data for government agencies.

The Ambulance Service of NSW was the first agency to join the network. It now operates approximately 680 terminals and is logging over 50,000 events each month. Ambulance vehicles receive incident information as a text message displayed on their mobile data terminal where it can be viewed and printed out if necessary.

Since February 2007, the MDRS has achieved 100 per cent availability of service.

### **The Government Licensing System**

The Government Licensing System provides a single system for licensing agencies to provide agency back office, call centre and over the counter type services and a one-stop on-line internet entry point ([www.licence.nsw.gov.au](http://www.licence.nsw.gov.au)) to licensing and information services for business and the public. The project's aim is to integrate licensing regimes across 19 agencies currently using more than 40 different licensing systems and to potentially service around four million licence and registration holders.

The new system has been implemented by:

- the Office of Fair Trading for valuers' registration
- the Department of Environment and Climate Change for wildlife licences
- the Office of Liquor, Gaming and Racing for licences covering trade promotion lotteries, games of chance and charitable fundraising.

### **State Records services**

State Records contributed to preserving the State archives (records of enduring value), enabling and promoting their use. They set standards by providing guidance and services to improve records management across the NSW public sector (including local government, the universities and the public health system).

#### **Retention and disposal of records**

Substantial improvements were made during 2006/07 in sector-wide disposal coverage with the approval of 25 disposal authorities that will provide comprehensive disposal coverage for the functional records of 29 public offices and provide some coverage for a further five public offices. These improvements mean that 72 per cent of NSW public offices now have comprehensive retention and disposal authorities in place.

State Records issued two substantially revised general retention and disposal authorities during 2006/07 that will help all NSW public agencies to improve records management practices.

The revised General Retention and Disposal Authority for Imaged Records provides approval to some 438 public offices for the destruction of many original (hardcopy) records after they have been copied to digital or microform.

The revised General Retention and Disposal Authority for Administrative Records provides improved retention and disposal coverage for administrative records.

#### **Digital records**

During the year, State Records made progress in the implementation of the whole-of-government digital records strategy. It developed and issued an exposure draft policy on the preservation of digital records and worked closely with GCIO on reforms to the procurement of records and information management tools. The Australasian Digital Recordkeeping Initiative endorsed a model plan developed by State Records for implementing digital recordkeeping and archiving across a government jurisdiction.

#### **Government Records Repository inventory management system**

In 2006/07, the Government Records Repository (GRR) received 184,600 boxes of new records transferred for storage; undertook 323,000 file retrieval operations and handled the confidential destruction of 20,650 boxes of time-expired records. These 528,250 operations were efficiently managed by the GRR's newly implemented inventory management system, O'Neil Software's RS-SQL, which by the end of June 2007 managed data relating to over 2 million boxes of records. RS-SQL enabled an increased volume of operations with reduced staff costs.

#### **Green Globe Award for repository building**

The GRR's new Stage 6 records storage building at the Western Sydney Records Centre proved its environmentally friendly credentials being named the Energy Champion for the entire Government sector for 2006 in the prestigious Green Globe awards.

### **Improved awareness and access to records by Aboriginal people**

State Records improved access to records by Aboriginal people and increased awareness of significant records through a number of projects in 2006/07. The projects includes the operation of the Aboriginal Trust Fund Repayment Scheme, the Chief Secretary Indexing Project for the wider Aboriginal community in conducting personal, family and community history research and the In Living Memory exhibition outreach programs that improved awareness of the State archives, in particular access to records by Aboriginal people.

For more detailed information on State Records performance during the year see the State Records Authority of New South Wales Annual Report 2006-07.

### **The Building and Construction Industry Security of Payment Act 1999**

In 1999 the NSW Government introduced security of payment legislation that established new rights for parties seeking payment for work they have done and the plant and materials they have supplied.

The *Building and Construction Industry Security of Payment Act 1999* NSW represents an ongoing commitment by the NSW Government in maintaining the stability and efficiency of the construction industry.

The Act's hallmarks are quick adjudication of disputes over progress payments and provides for a fairer and quicker payment system for all parties in the industry.

A large number of such disputes are now being resolved without recourse to formal dispute resolution processes or the courts. Claimants range from small, localised subcontractors to major national contractors. The *Building and Construction Industry Security of Payment Act 1999*, which commenced on 26 March 2000, was amended in 2002. The amendments, which improve the operation of the Act and make it more effective in ensuring payment, commenced operation on 3 March 2003. There has been an increasing focus on its use to resolve progress payment disputes. From March 2003 to December 2006 there were over 3,000 adjudication applications representing \$1.8 billion worth of claims. These figures represent money claimed for work performed in the building industry that would otherwise have remained unpaid or in dispute. Without the *Security of Payment Act* these parties would likely have remained in dispute with no guarantee of payment.

**2006/07 Performance indicators**

Improved NSW Government Performance

Commerce Goal 1 – Maximise value for government agencies in delivering services to clients, customers and community

Commerce Goal 2 – Simplify processes for dealing with government

<b>Service</b>	<b>Indicator/Measure</b>	<b>05/06 Actual</b>	<b>06/07 Target</b>	<b>06/07 Actual</b>	<b>Comment</b>	<b>07/08 Target</b>
State Contracts	Aggregated procurement cost savings from whole-of-government period contracts	\$465M	\$520M	<b>\$523M</b>	Externally validated	\$560M
	Expenditure on State Contracts Control Board arranged goods and services contracts compared to total NSW Government expenditure on goods and services	28.5%	33%	<b>29%</b>	Benefits realisation was impacted by structural issues in the sector in the merging and restructuring of government agencies	30%
Gateway Reviews	Value of projects subjected to Gateway Reviews	\$3.2B	\$3.5B	<b>\$2.4 B</b>	Despite higher number of reviews (48 in 2006/07 – 32 in 2005/06) the dollar values were lower, largely due to better coordination of public sector infrastructure projects	NA (See note 1)
	Improvement in agencies project planning (Average Gateway % scores across a total of 7 factors)	79%	81%	<b>76%</b>	Factors include: Service Delivery, Affordability, Sustainability, Governance, Risk Management, Stakeholder Management and Change Management	NA (See note 1)

Service	Indicator/Measure	05/06 Actual	06/07 Target	06/07 Actual	Comment	07/08 Target
GC21 General Conditions of Contract	\$ value of contracts let under GC21 General Conditions of Contract compared to construction budget of agencies not accredited for construction.	31%	35%	<b>34%</b>	GC21 contract spend: \$686m.	36%
eTendering	Number of electronic tenders as a proportion of published government tenders	99%	99%	<b>99%</b>	Tenders published by Government Advertising	99%
Master Media Contract	\$ savings to government achieved through the Commerce Master Media and Placement contracts compared to market media rates	\$32M	\$34M	<b>\$44M</b>		\$46M
<i>jobs.nsw</i>	Number of visits to jobs.nsw site	2.5M	2.7M	<b>3.2M</b>		3.0M
	Number of on-line job applications lodged	62.2K	70K	<b>71K</b>		79K
NSW Government Portal	Number of visits to NSW Government portal	2.4M	2.4M	<b>4M</b>	www.nsw.gov.au	4M
Government Radio Network	GRN Service coverage by population	70%	75%	<b>80%</b>		85%
	GRN Service coverage by geographical area	35%	38%	<b>45%</b>		48%
Government Broadband Service	Number of agency sites using Government Broadband Service	792	1,050	<b>1,050</b>	Target sites operational	1,300

Note 1: Gateway Review service transferred to NSW Treasury in 2007/08

### State Records

Service	Indicator/Measure	05/06	06/07 Target	06/07 Actual	Comment	07/08 Target
Improving records management across the public sector	% of public sector covered by retention and disposal authorities	65%	67%	<b>72%</b>		74%
Managing State archives	No. of catalogued record items discoverable on-line	174,242	204,000	<b>205,460</b>		220,000
Storing non-current records	Metres of non-current records in storage	348,000	370,000	<b>373,737</b>		435,000

## Improved internal performance

Commerce Goal 5 - Contribute to a credible, efficient and effective organisation

### Corporate Procurement

Corporate Procurement Strategy Unit (CPSU) continued to support Commerce business units in strategic acquisition of goods and services by obtaining value for money, integrating operational efficiencies and developing procurement capabilities.

The Strategic Sourcing Project, initiated in 2005/06 to analyse spend and identify specific spend categories, progressed in 2006/07. Project initiatives have resulted in \$3.1 million savings in the telecommunications category and strategies have been developed for the imaging devices and contingent workforce categories.

Commerce implemented a new Enterprise Resource Planning (ERP) system and is using SAP integrated with smartbuy® (the NSW Government's electronic marketplace) for its procure-to-pay processes. The new system will allow Commerce to reduce the total procurement transaction costs, reduce duplication of data handling and comply with State Contracts Control Board and Commerce-specific contracts.

CPSU's key achievements in 2006/07 are as follows:

- increased awareness of procurement as a critical business function
- establishment of procurement policies, consistent processes and standard documentation and guidelines
- successful implementation of ERP 'Procure-to-Pay' module across Commerce
- improved procurement intelligence and management reporting
- increased use of environmentally friendly products - approximately 68 per cent of all A4 paper purchased was recycled paper and 70 per cent of toner cartridges were re-manufactured
- regular communication with staff engaged in procurement.

### Motor vehicle management

The Fleet Services Unit improved the Commerce fleet "Green Score" rating from 9.6 to 10.2 out of 20 from July 2006 to June 2007. This fell short of the target of 11/20 due to the need for commercial vehicles. Approximately 45 per cent of the Commerce fleet is commercial vehicles such as four wheel drives used in regional and remote areas. The passenger fleet achieved 10.9/20.

Overall, fleet size was reduced by 6.8 per cent from 601 vehicles in July 2006 to 558 vehicles in June 2007, exceeding the 3.5 per cent target. This was a further improvement on the 9 per cent fleet reduction achieved in 2005/06. Total increases in fuel costs were contained to 5 per cent.

Similarly, total lease cost increases were contained to 8 per cent while the lease replacement value has increased approximately 23 per cent in two years.

Average annual kilometres travelled per passenger vehicle, remains at approximately 20,000 kilometres. Continued improved fleet management, particularly in the appropriate lease term selection, based on use, has assisted in also managing lease cost increases.

### **Voice communications**

During 2006/07, Business Infrastructure's telecommunications team provided enhanced mobile phone management reporting to business units, enabling managers to better control the number of mobile phones and their use. Mobile phone user's ability to re-pay personal calls was enhanced as a result of an automated payroll deduction system being introduced during the year.

Improved billing and reporting has been achieved with fixed voice services as a result of consolidating approximately 400 accounts down to eighteen. This has also resulted in higher efficiency with less time and effort required to process the substantially lower number of monthly invoices.

Commerce has participated in the rollout of the Government Telecommunication Agreement (GTA) that is being managed by GCIO. The re-negotiated rates will result in, on average, carriage cost savings of approximately 17 per cent a year, which is in addition to the \$3.1 million savings as a result of the Telecommunications Strategic Sourcing Project.

### **Commerce property portfolio**

During 2006/07, the management of Commerce's property portfolio achieved savings of \$1.1 million a year by terminating leases without replacement or replacing the leases with downsized premises. Commerce also terminated a lease on Level 6, 234 Sussex Street, Sydney which will enable further saving of approximately \$245,000 per year for forthcoming years.

Co-location and/or downsizing initiatives at Blacktown, Darlinghurst, Orange, Parramatta and Wagga Wagga reduced the number of leases in these locations.

The former Q-Stores site at 47-49 Burke Road was sold for more than \$22 million, with settlement scheduled early in 2007/08.

### **Information Services**

Information Services concentrated on providing cost effective means of service delivery for the Department's corporate information assets.

This involved implementing some of the strategies developed in the previous year including:

- migrating a plan index from an old legacy system into TRIM, a new records management application
- supporting the Information Management Program, which is developing a whole of Commerce approach to introducing common records management procedures and systems for managing digital records.

New initiatives that commenced this financial year included the:

- development of the Business Information Management Framework in conjunction with the Information Management Program
- establishment of the Commerce Libraries and Information Network Group (CLING)
- development of the Records Storage Management Strategy for the McKell Building
- preliminary work on migrating the Commerce intranet to a new content management system
- Information technology

A range of technology-related improvements for Commerce clients and business units have been implemented by the Information Management & Technology (IM&T) Services branch, including improvements in:

- performance for Commerce regional sites through increased wide area network bandwidth as part of the Commerce Government Broadband Services' implementation
- performance for the McKell Building through a local area network cabling and infrastructure upgrade

- collaboration and communications for Commerce business units via standardisation on a single electronic mail and calendaring system across Commerce
- personal computer (PC) support responsiveness and efficiency, including remote support and unattended software installation, through the continued rollout of the PC Standard Operating Environment
- functionality and reduced costs for printing, copying, scanning and faxing through the Imaging Devices Strategic Sourcing project, which will continue in 2007/08
- levels of service for certain critical Commerce systems through additional IM&T Service Level Agreements
- project management through the ICT program management office which has been established to ensure successful execution of the diverse range of ICT projects, including improved project reporting to the IM&T Board
- performance and transparency of decision making regarding acquisition of new technology products through the establishment of an Architecture Review Group.

Planning and design activities have been progressed to improve reliability and disaster recovery capabilities of key Commerce systems, particularly those used by the community and Commerce's commercial and government clients. These improvements will be implemented by the Web Services and Data Centre Consolidation projects in 2007/08 in support of the People First Government ICT Plan.

A review of how the Department procures ICT equipment has resulted in a number of recommendations which when implemented during 2007/08 will lead to improved time frames and resourcing efficiencies, in addition to savings for Commerce by using fleet management techniques for common ICT equipment.

A range of initiatives are improving information technology environmental sustainability within Commerce, including:

- encouraging and educating Commerce staff to implement practices that can reduce energy consumption in the use of ICT equipment in each business unit
- replacing ageing personal computers and imaging devices with newer more energy efficient models
- optimising power saving settings, particularly for personal computers and imaging devices
- optimising resource consumption settings for imaging devices (eg double-sided printing)
- reducing the size of Commerce ICT asset fleets, including personal computers, imaging devices and servers, reducing energy and resource consumption
- server virtualisation which enables more effective utilisation of server infrastructure, thereby reducing Commerce's resource consumption.

Representatives from the IM&T Services Branch have participated in several forums led by GCIO in support of the People First Government ICT Plan.

### **Enterprise Resource Planning**

Commerce successfully completed an ERP program, which included a range of sub-projects that resulted in:

- a functional and technical SAP upgrade delivering improved self-service capabilities for staff and managers
- migration off MIMS to SAP, resulting in reduced ERP costs.

Commerce had previously been supporting two major ERP systems (MIMS and SAP), with corresponding management overheads both in recurrent costs and productivity costs. MIMS had been heavily customised to suit Commerce's requirements and recurrent maintenance and support costs were high. The ERP program retired these legacy programs, reduced costs and improved self service capabilities.

The ERP system is a critical application for OPWS and NSW Procurement. Additionally, many back office functions such as Human Resources payroll and financial processing are dependent on the ERP system.

### **Information security**

Commerce continued to work towards implementing and deploying security management systems that are consistent with the model provided by the International Standard on Information Security (ISO27001).

A range of information security policies were approved:

- Commerce Information Security Policy
- Acceptable Use of Information and Information Systems Policy
- Internet and Email Use Policy.

### **Business continuity**

Further revision of Business Continuity Plans for Commerce ICT infrastructure continued, including the development of a Pandemic Business Continuity Plan for critical IM&T services.

Provision has been made for a dedicated resource to lead business continuity activities for Commerce ICT infrastructure from 2007/08 onwards.

## **Energy and environment**

### **Environment**

#### **Waste Reduction and Purchasing Plan**

Commerce's Waste Reduction and Purchasing Plan (WRAPP) incorporates recommended WRAPP principles to conserve resources, promote the use of recycled materials and reduce the waste generated by Commerce offices.

In 2006/07, Commerce undertook a number of initiatives which, in addition to improving operational efficiencies, also contributed towards waste avoidance, reuse and/or recycling:

- staff education and improved communication regarding WRAPP principles, relevant Commerce strategies and availability of recycled products
- purchase of A4 recycled paper increased to 68 per cent of total paper purchased and remanufactured toner cartridges to 70 per cent of total toner cartridges purchased
- improved management reporting regarding recycled product usage trend
- establishment of the State Contracts Control Board contracts for PCs and Laptops requiring service providers to include installation, removal of packaging and take-back of old equipment for recycling
- implementation of the Imaging Devices project to reduce the usage of total number of imaging devices, use of recycled paper, take-back and recycling of toner cartridges by supplier, and avoidance of waste by the introduction of double-sided printing as the default option
- implementation of the new ERP system to reduce the usage of paper-based forms and printing.

#### **Energy management**

Each year NSW Government agencies use eight million gigajoules of building energy, resulting in 1.5 million tonnes of greenhouse gas emissions. A number of Government energy policies are in place to reduce Government greenhouse gas emissions, save energy and save money on energy bills, including the Government Energy Management Policy (GEMP) and the NSW Premier's Memorandum 2004-04: Greenhouse Performance of Office Buildings and Rental Properties.

Commerce has specific responsibilities under GEMP for developing policy and providing leadership to agencies in the areas of asset management, procurement and environmental design.

NSW Procurement has established SCCB contracts for the retail supply of electricity to all sites, allowing agencies to purchase a nominated percentage of Green Power.

Green Power is renewable energy sold by accredited electricity suppliers, it helps to reduce greenhouse gas emissions associated with electricity generated from coal, and supports continued investment in the renewable energy industry

In accordance with the NSW Government's commitment to achieving savings in energy usage and to adopting sustained energy management principles Commerce has:

- developed an Energy Management Plan
- obtained an accredited Australian Buildings Greenhouse Rating (ABGR) for all of its premises with more than 1000m<sup>2</sup> of net office space and has developed an improvement plan to meet the targets set out for all Government premises

- purchased 6 per cent Green Power for all of its sites using the SCCB Contracts for the Retail Supply of Electricity.

Commerce's use of the SCCB contracts to purchase of electricity in the contestable market has lowered costs and led to a reduction of greenhouse gas emissions through the purchase of Green Power.

Commerce's total energy consumption for 2006/07 was 61,320 gigajoules of energy, for Commerce-occupied buildings, a reduction of 3 per cent compared to 2005/06. This included over 799,000 kWh of green energy. The energy consumption in Commerce tenancies and buildings equates to total emissions of 13,775 tonnes of CO<sub>2</sub>, a reduction of 4.3 per cent compared to 2005/06. The cost of the building energy was \$1,692,000, an increase of 2.8 per cent over 2005/06.\*

A number of administrative changes occurred in Commerce during 2006/07 and it should be noted that:

- energy usage data for the Festival Development Corporation site at Kariong is included in Commerce's energy consumption for the first time
- State Records joined Commerce during 2006/07, but, as a Statutory Authority, it is required to report separately
- NSW Business Link joined Commerce in the latter part of 2006/07, and their energy usage data is not included in Commerce's 2006/07 energy reporting.

\* The figures provided are based on billing information available at the time of the report. Some information was extrapolated from data received, or estimated over the full year.

### **Fleet vehicles**

Greenhouse emissions from transport represent 14 per cent of total NSW greenhouse emissions. Cleaner air and progress on greenhouse gas reductions is a priority of the NSW State Plan. The government has set a target of a 60 per cent cut in greenhouse emissions by 2050 and a return to year 2000 greenhouse gas emission levels by 2025.

The Cleaner NSW Government Fleet initiative requires all general government sector agencies to establish a Fleet Improvement Plan to meet specific targets for both noxious and greenhouse emission reductions. In 2006/07 State Fleet began reporting the usage of Ethanol/Petrol Blend and Premium Unleaded Petrol to provide agencies with further data on their CO<sub>2</sub> emission levels.

Commerce has developed a Fleet Improvement Plan to meet the targets set out for all government agencies. The Commerce baseline average "Green Score" for improvement over the next three years is 9.6. The Commerce fleet "Green Score" rating improved from 9.6 to 10.2 out of 20 from July 2006 to June 2007. Commerce's overall rating is below the 2006/07 target of 11/20 due to the ongoing operational requirement for commercial vehicles explained above.

The "Green Score" rating for Commerce's passenger vehicle fleet has increased from 10.1 in July 2006 to 10.9 in June 2007. This has decreased the total emissions made by Commerce vehicles and has reduced fuel consumption.

Other fleet improvement initiatives include:

- green/hybrid vehicles comprising 1 per cent of the Commerce fleet
- all fleet users being issued with E10 fuel cards in support of the new government contract for alternative fuels. Ongoing usage is planned to increase with education and information for fleet users.

The total energy consumption for Commerce's fleet during 2006/07 was 54,800 gigajoules, a reduction of 3.5 per cent compared to 2005/06. Commerce's fleet's emitted 3,635 tonnes of CO<sub>2</sub>, a reduction of 3.5 per cent compared to 2005/06.

\* The figures provided are based on billing information available at the time of the report with some information extrapolated from data received, or estimated over the full year.

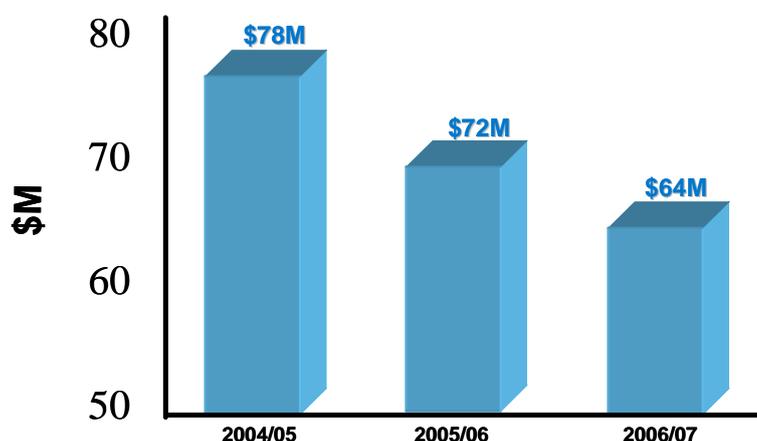
## Financial highlights

The Department of Commerce's Net Cost of Services for 2006/07 was \$136.1 million. This was \$41.7 million higher than the 2006/07 budget and \$53.8 million higher than the 2005/06 actual result.

The increase in Net Cost of Services was mainly due to a number of non-operational expenses including whole of Government grant payments and a reduction in the Department's prepaid superannuation balance. In addition, the transfer of shared services functions from the former Department of Natural Resources to Commerce contributed to the increase in Net Cost of Services.

Along with the above items, a number of other items outside the ordinary operations of the Department have impacted the result and when removed, highlight the underlying trend in the finances of the Department.

### Underlying Net Cost of Services<sup>1</sup>



This graph shows the movement in the underlying Net Cost of Services for the Department of Commerce. Net Cost of Services have improved from \$78 million in 2004/05 to \$64 million in 2006/07. This improvement is mainly due to lower employee related and other operational expenses across the Department. This result was achieved while absorbing the 4% wage increases in 2005/06 and 2006/07.

### Net Assets

The Net Assets of the Department of Commerce have increased from \$415.6 million in 2005/06 to \$539.2 million in 2006/07. This is mainly due to the transfer of assets from the former Department of Natural Resources following the transfer of their shared services to Commerce. In addition, the Department's surplus for the year of \$38 million contributed to the improvement in net assets.

The value of StateFleet motor vehicles held by the Department and disclosed within Plant and Equipment increased from \$457 million in 2005/06 to \$524 million in 2006/07. This was offset by a corresponding increase to Commerce borrowings from TCorp to finance these purchases in accordance with our fleet financing arrangements.

<sup>1</sup> Underlying Net Cost of Services excludes the expenses associated with ICT projects within the Government Chief Information Office, superannuation expenses, voluntary redundancy payments and revenues and expenses associated with the divested business units, cmSolutions and QStores and whole of Government related grant payments.

# Corporate Governance

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## Corporate governance

Commerce's Corporate Governance framework consists of the following interrelated components:

### Corporate objectives and values

Corporate goals, objectives and values were established in the Commerce Corporate Plan 2006-2011. Goals and objectives are detailed in the Results and Services Plan. The goals, objectives and values are aligned with the State Plan's priorities and targets.

### Governance principles

Commerce's governance principles are:

- Clear role and responsibilities
- Transparent and accountable decision-making
- Effective, efficient and ethical decision-making
- Respect for the law and high probity standards.

### Report back system

Commerce implemented a new reporting system in March 2007 to provide the Director-General and Executive with greater assurance of effective governance within the Department.

The objects of the system are to ensure the Executive:

- is provided with the opportunity to proactively nominate topics that it would like to consider
- regularly considers all significant governance issues
- sets the strategic directions and policy for Commerce
- determines directions for cross agency issues
- gathers and shares business intelligence for Commerce.

### Corporate governance framework

The objectives of the governance framework are to ensure that:

- there are improved and consistent governance structures and mechanisms to provide information and assurance that Commerce is successfully performing to deliver results which are aligned with the Government's priorities
- appropriate governance mechanisms are in place and there is clarity in reporting so that sound information is available for decision-making
- roles and responsibilities of individuals and committees are clearly understood and there is identification of who is accountable for establishing, maintaining and reporting on key governance mechanisms
- there is increased awareness by all staff of the meaning and importance of corporate governance and their individual governance roles and responsibilities
- Commerce's values are more firmly embedded throughout the agency, leading to an improved ethical culture
- there is improved compliance with statutory requirements and internal values
- there is improved stakeholder confidence leading to greater trust in and acceptance of decision-making and willingness to engage and collaborate with Commerce.

The framework pulls together business unit initiatives and ensures the Executive is informed of key governance issues and projects through the new reporting arrangements.

During 2006/07 the Executive monitored the:

- Conduct and Ethics Committee (established on 7 December 2005 - to ensure consistent decision making and cross referencing)
- Code of Conduct training across the agency
- Procurement Ethics Committee
- Office of Industrial Relations research with Sydney University.

## Performance management

### Results and Services Plan

The Results and Services Plan (RSP) outlines Commerce's broad objectives in fulfilling its charter and how it is supporting the goals and priorities outlined by the NSW Government in its State Plan.

The RSP explains what Commerce plans to deliver, as well as detailing the key performance indicators by which the Executive will monitor the efficacy of the plan's implementation.

This in turn informs the Corporate Plan, which details how Commerce intends to deliver on its objectives as outlined in the RSP. Strategic level plans have been developed to deliver outcomes in key result areas, these are:

- Total Asset Management Plan (TAM)
- Commerce People Strategy
- Information and Communications Technology (ICT) Strategic Plan.

These plans are regularly reviewed by the Executive and are a vital component of Commerce's management of identified strategic risks.

### Corporate Plan 2006-2010

The *Department of Commerce Corporate Plan 2006-2010* outlines: Commerce's purpose, what we do; how Commerce will achieve the long-term objectives and address current key issues (strategies); how we will achieve the RSP; and the indicators and measures that will demonstrate performance.

The Corporate Plan builds on our past achievements, links our goals to those of the State Plan and sets our directions for the next four years.

In 2006/07, Commerce contributed to the State Plan priorities by delivering services that support:

- maximising value for government agencies in delivering services to clients, customers and the community
- simplifying processes for dealing with government
- promoting a fair marketplace for consumers and traders
- promoting fair and productive workplaces

Supporting the RSP and Corporate Plan is the *Information and Communications Technology (ICT) Strategic Plan*.

Progress has been made in a number of areas as planned in the *ICT Strategic Plan 2006-2010*. In particular a range of ICT projects have contributed to this success:

- ERP Program
- Government Broadband Services implementation
- Information Management Program
- Personal Computer Standard Operating Environment rollout
- McKell Building cabling upgrade.

This plan is updated annually to build on progress to date and incorporate developments since the last revision. The revised plan will continue to support the State Plan, the People First Government ICT Plan, and the Commerce Results and Services Plan. There will be an increased emphasis on:

- Enterprise Resource Planning (ERP) systems
- Telecommunications (data and voice)
- Information management.

### Total Asset Management plan

The Total Asset Management (TAM) plan provides Commerce's asset strategy, which outlines how Commerce assets support service delivery. The purpose of the TAM plan is to manage our assets so that they are aligned with the Commerce objectives and that associated risks are properly managed.

The TAM plan also includes supporting plans such as the Capital Investment Plan, Accommodation Strategy, Maintenance Plan and Disposal Strategy.

## **Risk Management**

### **Corporate risk management**

Risk management is considered a critical component of corporate governance within Commerce. Corporate Risk Services has developed the Department's risk management policy and framework and deals with insurable risk. The Commerce Executive, through the Commerce Risk and Audit Committee, has established a policy and framework consistent with AS/NZS 4360:2004.

This framework recognises that risk management fosters:

- a confident, rigorous basis for decision-making and planning
- better identification of opportunities and threats
- proactive rather than reactive management
- more effective allocation and use of resources
- improved incident management and reduction in loss and cost of risk
- improved stakeholder confidence and trust
- improved compliance with relevant legislation
- better corporate governance.

The Commerce risk management framework underpins the Commerce strategic planning documents (RSP, Corporate Plan, TAM and People Strategy). These plans are regularly reviewed by the Executive and form a vital component in Commerce's management of identified strategic risks. The links with corporate planning was further consolidated during the year through better monitoring of risk management activities through the RSP reporting. This also supports the concept that the management of risks change over time and mitigation activities can be flexible.

To enable Commerce to effectively identify and manage risks at all levels, the Executive has established corporate risk tolerances, which define both adverse impacts, opportunities and risk priorities. The risk tolerances, assessment process and strategic risks form an integral part of the Commerce enterprise-wide risk framework and the context in which the operational level risks are assessed.

The Commerce training and awareness strategy is key to building risk management capability and was awarded the Public Sector Risk Management Association Learning and Development Award for 2006. The cornerstone of this strategy is the accredited risk management course run jointly with NSW TAFE and its partner. The training provides staff with an externally accredited risk management qualification, and provides them with a variety of tools and techniques that will assist in undertaking their work within Commerce and building a risk aware culture. Together, the framework and improving capability places Commerce in a strong position to contribute to the management of risk across the public sector.

Commerce's strategic risks are periodically reviewed by the Executive team and focus on such areas as inadequate response to major disaster, loss of IT capability and failure to adequately manage OH&S, environmental and industrial legislation compliance issues.

### **Risk financing**

#### **Insurance portfolio**

Commerce manages its insurable risks through participation in NSW Treasury Managed Fund (TMF). This is a 'pooled' indemnity scheme that has unique and wide-ranging coverage and a fundamental premise is that members implement risk management practices as a way to lessen exposure to the pool. Insurance lines covered are property, liability, motor vehicle, workers' compensation, travel and personal accident.

The 2006/07 Fund Year saw total premium cost reduction of 10%, building on a strong reduction of 28 per cent in 2005/06. This exceeds the performance of the overall Primary Pool.

Premiums were reduced on all lines of cover with substantial reductions achieved for property (\$174,170) and liability (\$150,660) lines. Factors contributing to property and liability line results

were the combination of improved Commerce and Primary Pool claim experiences. Motor premiums were generally influenced by a decrease in fleet numbers. A modest premium reduction was achieved for the workers compensation line, based on Commerce claims experiences and the positive performance of the Primary Pool.

Premiums for all lines of insurable risk continue a downward trend from previous years as shown in Table 1 below.

**Table 1 – Percentage change comparison against total cost of premium**

<b>Insurable Risk</b>	<b>Fund years 03/04 &amp; 04/05</b>	<b>Fund years 04/05 &amp; 05/06</b>	<b>Fund years 05/06 &amp; 06/07</b>
Workers Compensation	-0.31%	-16.92%	-3.21%
Liability	-16.56%	-40.22%	-8.36%
Motor vehicle	18.72%	-30.14%	-13.40%
Property	43.42%	-6.15%	-36.30%
Travel & personal accident	-0.91%	-11.01%	-28.35%

### **Claims performance**

During the year, 219 motor vehicle claims occurred with the highest frequency in the accumulated damages category. The number of occurred property claims decreased 38 per cent. Occurred liability claims remained stable (114 occurred workers compensation claims were registered and this is similar to 2005/06 when 113 were recorded). About 48 per cent of the workers compensation claims are attributed to the injury categories – body stressing (31) and falls, trips and slips (28).

### **Audit and compliance**

#### **Commerce Risk and Audit Committee**

During 2006/07, the Committee met five times to oversee financial reporting, systems of internal control, risk management, corruption prevention, compliance systems and other regulatory requirements, and the internal and external audit functions.

Members of the Risk and Audit Committee at 30 June 2007 were:

- John Brown                      Chair and Independent Member
- Lyn Baker                        Deputy Director-General and Commissioner for Fair Trading
- Alan Marsh                        Acting Director-General, Office of Public Works and Services
- Paul Hopkins                     Deputy Director-General, Office of NSW Procurement
- Pat Manser                        Deputy Director-General, Office of Industrial Relations
- Elizabeth Zealand                Director, Corporate Services and Review
- Alastair Hunter                    Chief Financial Officer

The external Chair arrangement commenced on 25 July 2006.

#### **Internal Audit**

Audit Branch plays an important role in the Commerce governance framework by reviewing the compliance, efficiency and effectiveness of Commerce priority programs and processes.

The Annual Audit Plan is endorsed by the Risk and Audit committee and approved by the Director-General. During 2006/07 Audit Branch performed a substantial amount of work including addressing 46 planned audits, 103 special projects and 16 investigations. Some of the significant projects included:

- Renting Services, Office of Fair Trading
- Motor Vehicle Repair Industry Authority, Office of Fair Trading
- Industrial Complaints Handling Process, Office of Industrial Relations
- Fair Trading Receipting System

- Government Architect's Office, Office of Public Works and Services
- StateFleet Services, Office of Public Works and Services
- Annual Credit Card Usage Certification
- Workplace Advice Seminar Program, Office of Industrial Relations
- Award Subscription Service, Office of Industrial Relations
- Intelligent Information System - Security of Data, Office of Fair Trading
- Data Centre Management
- Salary Sacrifice Motor Vehicle Calculations
- Consultancy and advisory services to SAP implementation.
- Investigations of alleged inappropriate conduct.
- Consultancy and advisory services to Contracting Services Change Program, NSW Procurement.

Other activities included:

- Involvement in Code of Conduct Awareness Training Program across Commerce
- Ongoing involvement and advisory services provided to: the ERP Program Steering Committee, Conduct and Ethics Committee, Corruption Prevention Network and NSW Procurement Ethical Behavior Working Group
- Advice on Commerce Sponsorship Policy
- Facilitated response to the ICAC Survey Profiling the NSW Public Sector 2007.

### **Compliance with NSW Government requirements for disclosure on government tenders and contracts**

On 1 January 2007, new contract disclosure requirements under the *Freedom of Information (Open Government - Disclosure of Contracts) Act 2005 No 115* came into operation. Prior to the introduction of the revised arrangements Premier's Memorandum No.2000-11 set out requirements for disclosure of information on government contracts with the private sector.

The abovementioned legislation amended the *NSW Freedom of Information Act 1989 (FOI Act)* and established clause 15(A) of the FOI Act, which sets out requirements for disclosure of information on government contracts with the private sector for all procurements, sale and disposal contracts including capital works, goods, services, information and communications technology, property and other contracts.

The Department's tendering guidelines and Tendering Manual were updated to cover the new requirements. As a result, Commerce discloses the results of Government tenders and contracts on the websites <https://tenders.nsw.gov.au/commerce> and <http://tenders.nsw.gov.au>.

NSW Procurement continues to monitor and report on the extent of the Department's compliance with the requirements for disclosure of tenders and contract information, reporting to the Director-General each quarter.

### **Legislative Council resolutions calling for papers under Standing Order 52**

During 2006/07 Commerce responded to two resolutions of the Legislative Council calling on the government to table all documents. The resolutions identified Commerce in relation to the following:

- Canterbury Multicultural Aged & Disability Support Services Inc.
- New Hunter Rail cars and the "H set" trains or Outer Suburban CARS (OSCARS).

### **External audit**

During 2006/07, the Audit Office of NSW carried out comprehensive audits of our annual financial statements and associated financial systems.

The Audit Office also completed a performance audit on government advertising. During the year Audit Office commenced a performance audit on the April 2003 amalgamation and creation of a number government agencies including the Department of Commerce.

The statutory audit report issued by the Auditor-General for 2005/06 identified instances of employees working overtime without prior written approval, and accumulation of substantial levels of flextime balances, as significant matters. Management has accepted the recommendations of the Audit Office and has implemented procedures to address these issues.

## Ethics and probity

### Business ethics statement

Commerce has a major role in the delivery of NSW government services, including procurement, construction, consumer protection and industrial relations. The Department is committed to promoting integrity, ethical conduct and accountability in all areas of public administration and, to do its job well, it relies on business partners and suppliers.

Just as Commerce expects its staff to behave ethically and comply with its Code of Conduct, it expects high standards of behaviour from firms and individuals that do business with it.

The Commerce Business Ethics Statement gives clear guidelines on how it expects its business partners and suppliers to behave and it tells them what to expect of it.

All individuals and organisations that deal with Commerce must adopt these standards of ethical behaviour.

### Conduct and Ethics Committee

The Conduct and Ethics Committee, formed 7 December 2005, continued to meet during 2006/07. The Committee's terms of reference are to:

- provide a central repository for conduct and ethics incidents, within the bounds of confidentiality and due process
- monitor the status of grievances, investigations, and disclosures in relation to meeting key milestones and deadlines
- ensure correct process for conduct and ethics investigations is followed
- provide peer review of incidents from a human resources, legal and audit perspective
- recommend appropriate consultation with relevant stakeholders
- advise on appointment of external specialists for investigations
- provide strategic advice to the Director-General on request
- report trends in conduct and ethics across the Department back to the Risk and Audit Committee, with suggested remedial action
- ensure recommended action impacts and risks are adequately managed.

During 2006/07, the Committee met fortnightly to carry out its charter. Its members comprised:

- Elizabeth Zealand, Director Corporate Services and Review and Chair (up to 18 June 2007)
- Glenn Smith, Acting/Director Corporate Services and Review and Chair (from 21 June 2007)
- Marcia Doheny, Corporate Counsel, Legal Services
- Jill Pattison, A/Executive Director, Director-General's Unit
- Charlie Sherlock, Chief Auditor, Audit Branch, Director-General's Unit
- Penny Hume, General Manager, Human Resources, Corporate Services and Review.

The activities and findings of the Conduct and Ethics Committee are reported as standing items to the Risk and Audit Committee.

### Code of Conduct

This code is a statement of the Department's collective commitment to maintaining the highest ethical standards of behaviour. It applies to all individuals employed, appointed or otherwise engaged to work in the Department. This includes permanent, temporary and casual staff, as well as consultants, contractors and agency staff engaged to perform work for or on behalf of the Department. A deliberate act breaching this Code of Conduct, or the Department's policies referred to in this Code, may constitute 'misconduct' under the Public Sector Employment and Management Act 2002.

The Code of Conduct is closely linked with Commerce's Mission and Corporate Values.

### Ethics program

The Code of Conduct training began in February 2006 and continued this year. This is a joint project between the Organisational Development team and the Audit Branch. The Code of Conduct training program is designed to raise awareness of the Code of Conduct and ethical behaviour and to provide guidelines for ethical behaviour. It addresses various issues including:

the use of internet and email; conflict of interest; gifts and benefits; secondary employment; use of resources; protecting confidential information; and ethical decision making.

Case studies, video and personal experiences are used to illustrate the value of ethical behaviour to our organisation and staff are encouraged to participate in workshop discussions.

By 30 June 2007, 90 per cent of Commerce staff required to undertake training had attended the Code of Conduct sessions. The final sessions will be conducted in July and August 2007. After that, sessions will be conducted for new staff on a quarterly basis and managers/supervisors reminded to discuss the code at staff meetings and forums.

## Access to information

### Freedom of Information

Under the *Freedom of Information Act 1989*, the Department received 204 Freedom of Information (FOI) applications during the year.

There were 17 applications brought forward from 2005/06, making 221 applications to be processed. Of these:

- 8 applications were transferred to other agencies
- 14 applications were withdrawn at the applicants' request
- 15 applications were carried forward to the next reporting period
- 105 were granted full access
- 43 were granted partial access
- 36 were refused access.

During 2006/07 17 personal applications received, two were brought forward making a total of 19 to be processed. One application was withdrawn and of the 18 required to be processed 14 applicants were granted full access, three partial access and one was refused.

Of the 221 determinations made during the year, 105 provided full access and a further 43 granted partial access. In the previous year, 199 determinations were made, resulting in 117 with full access and 47 partial access. In overall terms the level of access granted to applicants remained the same as the previous year reflecting the Department's ongoing commitment to the objects of the *Freedom of Information Act 1989*.

There were five internal review applications received during the year compared to eight in the previous year. Of the six processed, five determinations were upheld and one decision was varied.

The Ombudsman's Office conducted no reviews this financial year.

There was one appeal before the Administrative Decisions Tribunal during 2006/07 and it was dismissed.

The table of FOI statistical information complying with Appendix B of the FOI Manual is shown in Appendix 9 - Freedom of Information.

### FOI Statement of Affairs

The Freedom of Information Act 1989 (the FOI Act) gives the public the legal right to:

- obtain access to information held by the Department
- request amendments to records of a personal nature that are inaccurate
- appeal against a decision not to grant access to information or to amend personal records.

Under the FOI Act, the Department is required to publish an annual Statement of Affairs. This annual report includes all the requirements of the Department's Statement of Affairs, including the structure and functions of the Department: how these functions affect the public, the kind of documents the Department holds: and how members of the public may access and amend the Department's documents.

### Programs and activities

The structure and functions of the Department and how these functions affect the public are detailed elsewhere in this annual report. Information on the Department's programs and

activities, publications and its policies can also be found on the Internet at [www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au).

### Documents held

The Department holds the following categories of documents:

- policy documents and correspondence
- documents on internal administration
- policy, minutes and correspondence to/from boards and committees
- policy documents and correspondence concerning grants, agreements and contracts.

Under the Privacy and Personal Information Protection Act 1998, the Department holds certain classes of personal information as shown below.

### Accessing the Department's documents

Policies and publications can be accessed in several ways:

- Summary of Affairs published in the NSW Government Gazette No 76 of 23 June 2006.
- Internet [www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au)
- FOI Coordinators (see below).

### Accessing and amending the Department's documents

Requests under the FOI Act for access to documents held by the Department are the responsibility of the Department's FOI Coordinators.

Applications for access to documents under the provisions of the FOI Act must be in writing, either on an application form or by letter, accompanied by the \$30 application fee and directed to:

Commerce	Fair Trading	Industrial Relations
The FOI Coordinator Department of Commerce Level 22, McKell Building 2-24 Rawson Place SYDNEY NSW 2000 Tel: (02) 9372 8720	The FOI Coordinator Office of Fair Trading P O Box 972 PARRAMATTA NSW 2124 Tel: (02) 9895 0362	The FOI Coordinator/Executive Officer Office of Industrial Relations Level 23, McKell Building 2-24 Rawson Place SYDNEY NSW 2000 Tel: (02) 9020 4505

FOI application forms may be obtained by contacting the FOI Coordinators who can assist with completion of the application.

### Processing an FOI request

The FOI Coordinators will acknowledge the request and decisions on access are normally made within 21 days. If the processing time has to be extended, the FOI Coordinators will keep the applicant informed about the progress of their application. The applicant may be required to clarify the request and sometimes a request may be referred to another department if the request is more closely connected to the functions of that department.

Occasionally, a request may be refused if the document is held to be exempt under Schedule 1 Part I of the FOI Act. The Departmental FOI Determining Officers will provide reasons why the document is exempt in an "access decision" letter. If the request is refused, the applicant has rights of appeal and may apply for an "internal review" of the decision. Reviews by the Ombudsman and further appeals to the Administrative Decisions Tribunal can also be made under the FOI Act.

### Charges for access

Charges for access to documents are set out in the table below. There is a 50 per cent discount for holders of a Pensioner Health Benefits Card, for people who can demonstrate financial hardship or if the document was accessed in the public interest.

Nature of Application	Application Fee	Processing
Access to records by natural persons about their personal affairs, the first 20 hours	\$30	\$30 an hour after the first 20 hours
All other requests	\$30	\$30 per hour
Internal review (all circumstances)	\$40	Nil
Amendment of records	Nil	Nil

### Amendment to personal records

Applicants can request an amendment of documents containing information about their personal affairs where they consider that the information is incomplete, incorrect, out-of-date or misleading. If the Department refuses to amend the record, the applicant has the right to include with the record, a statement outlining why they consider the record to be incorrect and any information they feel is necessary to correct the record, complete it or bring it up-to-date.

Applications must be in writing, identifying the information alleged to be incorrect, provide details of why the information to be amended is incomplete, incorrect, out-of-date or misleading, and, if necessary, include documentation in support of their claim.

### Privacy management

The *Privacy and Personal Information Protection Act 1998 (Privacy Act)* introduced a set of binding privacy standards for the NSW public sector. These standards, known as information protection principles, regulate the way public sector agencies deal with personal information in relation to its collection, storage, use and disclosure.

All Commerce offices have privacy management plans that set out the policies and practices adopted to ensure compliance with the legislative provisions as well as establishing procedures to deal with complaints about its conduct and the disclosure of personal information held on public registers. These plans have been lodged with the Privacy Commissioner and the Attorney General has approved any Code of Practice related to Commerce's operations. Copies of these documents and further information about the *Privacy Act* are available to the public on request.

Individuals can apply under the *Privacy Act* for access to personal information held by Commerce. A complaint, or internal review, can be lodged if a person believes the Department has breached an information protection principle under the *Privacy Act* or its Code of Practice.

### Codes of practice

A Code of Practice is in place that modifies the application of the *Privacy Act* for the Office of Fair Trading (OFT). The Code of Practice authorises non-compliance with the information protection principles where they prevent OFT from carrying out its functions. OFT is also covered by the provisions of the Investigation Code of Practice, the Code of Practice for Inter-agency Transfers of Information and the Privacy Code of Practice for the NSW Public Sector Workforce Profile.

### Applications made under the Privacy Act 2006/07

For the year, there were no access applications received and there were no appeals to the Administrative Decisions Tribunal.

### Fees and charges

The current privacy management plans provide for the payment of an application fee of \$30 (plus GST). The fee is applicable to requests for access to personal information, which may be held by the Department.

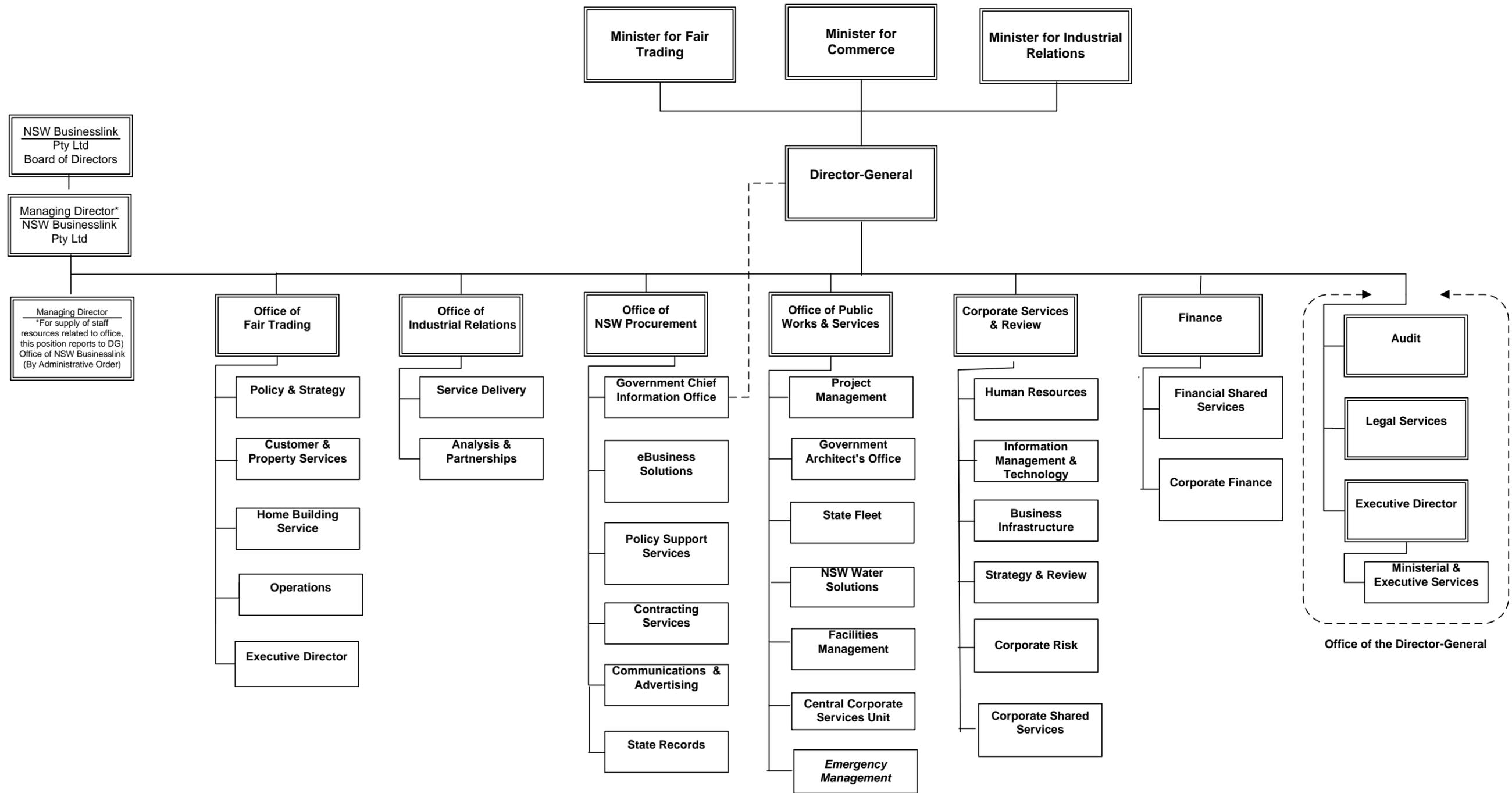
A processing charge of \$30 per hour (plus GST) is applied after the first 20 hours of work. No fees or charges apply for applications for reviews under Part 5 of the Privacy Act.

**Further information can be obtained from:**

<b>Commerce</b>	<b>Fair Trading</b>	<b>Industrial Relations</b>
Privacy Coordinator Department of Commerce Level 22, McKell Building, 2-24 Rawson Place SYDNEY NSW 2000	Privacy Coordinator Office of Fair Trading 1 Fitzwilliam Street PARRAMATTA NSW 2150	Privacy Coordinator Office of Industrial Relations PO Box 847 DARLINGHURST NSW 2010

# People and Organisation

The background of the page is a solid, vibrant blue. Overlaid on this background are several abstract, white, hand-drawn scribbles. These scribbles are composed of multiple overlapping, fluid lines that create a sense of movement and complexity. Some lines are straight and horizontal, while others curve and loop, resembling a stylized signature or a series of connected paths. The overall effect is a dynamic and artistic composition that contrasts with the clean, minimalist text.



# NSW Department of Commerce

30 June 2007

**Note**

Names in *italics* indicate a key function performed in the structure. They do not necessarily represent positions.

## People and organisation

### Organisational change

#### Shared corporate services

During the year, a number of Government decisions affected Commerce and its provision of shared corporate services:

In April 2007, one hundred and thirty two staff from the Corporate Shared Services Group (CSS) in the former Department of Natural Resources were transferred to Commerce. CSS provides a range of services to 22 agencies, including the Department of Water and Energy, the Growth Centres Commission, 13 catchment management authorities and the Department of Planning.

In May 2007, NSW Businesslink was established as a separate office within Commerce. NSW Businesslink provides shared corporate services to the departments of Ageing, Disability and Home Care, Community Services and Housing.

CSS, NSW Businesslink and the Corporate Services and Review group collectively support the business operations of a large number of agencies.

#### NSW Procurement

State Records joined NSW Procurement on 1 November 2006. Its key services are preserving the State archives, enabling and promoting their use, and setting standards and providing guidance and services to improve records management across the NSW public sector.

#### Office of Public Works and Services

The Property Valuation Services business ceased operation on 28 February, 2007. Valuations are now provided by the private sector. The property consulting service was transferred to the Department of Lands along with a number of Commerce staff.

The State Property business was separated from the Department of Commerce on the 1 September, 2006. This group is now the State Property Authority.

### Commerce Executive at 30 June 2007

#### Alan Marsh

##### Acting Director-General April-June 2007

Alan Marsh joined Commerce in February 2004. He has over 26 years' experience in government administration in agencies, including Premier's Department, Olympic Coordination Authority, Public Works Department and as Chief Executive Officer, Darling Harbour Authority. Alan also worked for eight years for non-government entities, including Sydney Organising Committee for the Olympic Games and a major facilities management company.

#### Lyn Baker

##### Deputy Director-General and Commissioner for Fair Trading

Lyn Baker was appointed Commissioner for Fair Trading on 8 November 2005. She has worked in the NSW public sector for over 20 years, including senior executive roles with the Attorney-General's Department, the Department of Housing, and the NSW Public Service Board. Lyn's career focus has been on organisational development and customer service. Prior to her appointment as Commissioner for Fair Trading she was Assistant Commissioner, Customer and Property Services for three years. During her seven years at OFT, Lyn has held various senior strategic roles involving licensing, compliance and customer service.

**Paul Hopkins****Deputy Director-General, Office of NSW Procurement**

Paul Hopkins has over 27 years' experience in procurement management in Australia and overseas, ranging from manufacturing, importing/exporting to financial services and government. Prior to his appointment to Commerce in 2003, Paul worked for a range of companies including BHP, Qantas, St George Bank, the Southern Sydney Region of Councils and entities and consulted with PriceWaterhouseCoopers both in Australia and overseas with companies such as NAB, AMP and Roche. In his current role, Paul has been involved in driving procurement reforms across the NSW public sector and has led the design and restructure of procurement operations and the development of new products and services within NSW Procurement.

**Sajeev George****Acting Chief Financial Officer**

Sajeev George has been with the Department of Commerce in the roles of Financial Accounting Manager and Manager Corporate Finance since its formation in 2003. Prior to that Sajeev held senior finance positions in the former Department of Public Works and Services, and Commercial Services Group. He has also held senior finance positions in the private sector.

**Pat Manser****Deputy Director-General, Office of Industrial Relations**

Pat Manser was appointed Deputy Director-General of the former Department of Industrial Relations in June 2001. She joined the Department in 1998 after working at the Australian Broadcasting Authority. Formerly, Pat worked for the New South Wales Board of Adult Education, taught business administration in NSW TAFE and was a Research Editor for the Macquarie Dictionary.

**Glenn Smith****Acting Director, Corporate Services and Review (from 19 June 2007)**

Glenn Smith joined Commerce in 27 April 2007 following the transfer of some Department of Natural Resources corporate services staff to Commerce. Prior to joining the Department, Glenn was the Executive Director of Corporate Shared Services for the former Department of Natural Resources. Glenn has a wealth of experience in the NSW public sector gained over 35 years. His previous roles include Executive Director Corporate Services in DIPNR; Executive Director Zoological Parks Board of NSW; Group General Manager, Business Services in the Roads and Traffic Authority.

**Brian Baker****Acting Deputy Director-General, Office of Public Works and Services April-June 2007**

Brian Baker joined Commerce in April 2004. He has over 30 years' experience in developing and delivering major infrastructure projects. A significant component of his career has related to the delivery of public infrastructure, including water supply, sewerage, bulk material export, transport, education, and health. Brian also worked for six years for non-government entities, including a major engineering and construction company, and in various consulting engagements.

**Changes to Executive in 2006/07**

Michael Coutts-Trotter

Level: SES 8

Position: Director-General

Remuneration: \$348,609

Transferred to Department of Education and Training

Last Day Service: 9 April 2007

Alastair Hunter

Level: SES 5

Position: Chief Financial Officer

Remuneration: \$247,300

Transferred to Department of Education and Training

Last Day Service: 8 May 2007

Elizabeth Zealand

Level: SES 5

Position: Director, Corporate Services and Review

Remuneration: \$221,676

Transferred to Public Transport Ticketing Corporation

Last Day Service: 15 June 2007

## Senior Executive Service remuneration

### Lyn Baker

Position: Commissioner for Fair Trading

Level: SES 6

Remuneration: \$265,200

#### *2006/07 highlights*

- managed all aspects of the Office of Fair Trading (OFT). In particular:
- five-year Strategic Plan settled - outlining a clear vision for OFT as both a best practice regulator and a leader in consumer protection
- achieved 24 of 28 targets in the 2006/07 Performance Agreement with those not met being either minor or in progress for completion in 2007/08
- met budget and achieved savings targets
- settled various restructures with minimal industrial action.

### Brian Baker

Position: Group General Manager Project Management

(Forster Rayward acting April-June 2007-\$214,351)

Level: SES 5

Remuneration: \$247,300

#### *2006/07 highlights*

- management of Commerce's service to the Department of Education and Training (DET) for the planning and delivery of the Program of Capital Works, including \$118 million of schools major capital works, \$44.8 million TAFE projects and \$72 million of minor capital works. In 2006/07 Commerce also assisted DET in managing 19 asset maintenance contracts of \$104 million
- management of Commerce's service provision of projects and program delivery with an aggregated value of \$900 million. Client agencies include NSW Police, Department of Corrective Services, Attorney General's, Department of Energy, Utilities and Sustainability, Sydney Catchment Authority, DET and various local government authorities
- effective service to government provided through management of and input to strategic projects including Sydney Catchment Authority water supply, Hunter Connection Water Pipeline and Department of Disability, Ageing and Home Care's capital works program
- provision of emergency engineering response capability to meet declared emergency of June 2007 in the Newcastle, Hunter, Central Coast regions caused by extreme flood and storms event
- alignment of Project Management's service delivery with NSW Treasury's Capital Works Procurement Policy
- facilitating Commerce and its client agencies achieving NSW State Plan targets
- leadership in improved business practices directed towards customer satisfaction with services provided by Project Management through stronger focused management practices of business risks, project budget and time management.

### Michael Coutts-Trotter

Position: Director-General (July 2006-April 2007)

(Alan Marsh acting April-June 2007 \$348,601)

Level: SES 8

Remuneration: \$348,609

#### *2006/07 highlights*

- led and managed an effective executive team
- met or exceeded more than 85 per cent of the performance targets in his performance agreement, and came acceptably close to achieving the remainder

- managed within budget and exceeded savings targets while maintaining or improving services to the community.

**Paul Edgecumbe, July 2006 – May 2007**

Position: Government Chief Information Officer  
(Colin Griffith, acting May – June 2007 \$214,351)

Level: SES 5

Remuneration: \$247,300 (including recruitment allowance)

*2006/07 highlights*

- ongoing management of the CIO Executive Council as the principal forum providing executive level government ICT leadership and decision-making. The Council is also responsible for making recommendations on ICT policy to support implementation of People First - the NSW Government ICT Strategic Executive Plan
- supervised the implementation of People First - the NSW Government ICT Strategic Plan. In the past 12 months over 60 supporting projects have been identified, scoped and/or initiated to implement People First
- oversaw the continuing development and implementation of across government information and communications technology strategies
- delivered ICT savings of \$80 million per annum through major ICT procurement strategies including new Government Telecommunications Agreements (savings of \$50 million a year) and new contracts standardising Government requirements for personal computers and notebooks (savings of \$30 million a year)
- introduction of single technical specifications for PCs that will support Government Standard Operating Environments and environmentally sensitive disposal of old PCs.

**Sajeev George**

Position: Acting Chief Financial Officer (September 2006-June 2007)

Level: SES 5

Remuneration: \$191,935

*2006/07 highlights*

- responsible for the overall financial management of the Department
- implemented revised financial reporting structures following the full implementation of SAP and transfer of BusinessLink, State Records Authority and the former Department of Natural Resources functions to Commerce
- oversaw the preparation of the Department's consolidated financial statements which resulted in an unqualified audit report
- successfully managed the finances of the Department and achieved 2006/07 budget targets
- oversaw the preparation of the 2007/08 budget reflecting further cost saving strategies and improved efficiencies generally.

**Paul Hopkins**

Position: Deputy Director-General, Office of NSW Procurement

Level: SES 5

Remuneration: \$266,605 (including recruitment allowance)

*2006/07 highlights*

- development and introduction of an agency accreditation scheme for goods and services as part of the development and implementation of procurement reforms
- oversaw cost management savings to NSW Government of \$595 million through services delivered by NSW Procurement including introduction of the Strategic Sourcing program of sector-wide procurement consultancy identifying \$135 million in savings opportunities for agencies
- achieved State Contracts utilisation to \$3.41B or nearly 29 per cent of Government's Goods and Services expenditure
- oversaw structural review of NSW Procurement Contracting Services reducing operating costs by 40 per cent
- oversaw enrolment of 11 new agencies onto smartbuy® electronic procurement system, achieving milestone of over \$100 million transacted.

**Pat Manser**

Position: Deputy Director-General, Office of Industrial Relations

Level: SES 5

Remuneration: \$243,152

*2006/07 highlights*

- eleven of thirteen strategies proposed to Government as responses to the Work Choices legislation were accepted, developed, legislated and implemented
- took a leading role in managing the coordination of the States' High Court challenge to Work Choices.
- devised and managed legislation for child labour laws and their successful acceptance and implementation
- recognised as a source of valuable advice by the Government through inclusion in the development of responses to Council of Australian Governments' commitments such as: pandemic contingency planning; the Human Capital Working Group; and school-based apprenticeships
- developed and launched a number of web-based tools to assist NSW employers and employees to calculate entitlements under NSW awards
- undertook Australia's largest compliance program in 2006 with 380 targeted workplace compliance campaigns, investigations covering 12,000 workplaces and 35,000 employees. The campaigns found 9,500 breaches of NSW industrial laws, including 1,700 underpaid staff. OIR also dealt with 200,000 telephone inquiries, 92 per cent of which were answered within two minutes.

**Alan Marsh**

Position: Deputy Director-General, Office of Public Works and Services

(Brian Baker acting April-June 2007 \$278,000)

Level: SES 6

Remuneration: \$277,945

*2006/07 highlights*

- managed all aspects of Office of Public Works and Services including governance, compliance with regulatory requirements, establishment of contracts and risk management
- managed improvements to service, projects delivery and implemented strategies to improve value to NSW Government well aligned to State Plan and Commerce's Results and Services Plan
- oversaw the delivery or progression of key projects, such as Parramatta Justice Precinct , managed the new contract for cleaning and facilities management, and successfully delivered major water solutions for metropolitan and regional areas to other agencies in drought management
- continuation of the Deputy Director- General's Safety Committee and introduced monthly reporting of risks into monthly management reports
- implementation of the new OPWS Enterprise Resource Planning system to support business delivery.

**Peter Mould**

Level: SES 5

Position: Government Architect and General Manager, Government Architect's Office

Remuneration: \$214,315

*2006/07 highlights*

- influenced city planning and architecture through membership on the Central Sydney Planning Committee and committees such as the Sydney Olympic Park Design Review Panel and Transport Infrastructure Development Corporation Design Review Panel
- influenced attitudes to heritage buildings through membership of the Heritage Council of NSW and Heritage Approvals Committee and Opera House Conservation Committee
- contributed to the profession as Deputy President of the NSW Architects Registration Board
- involved in major capital projects including the schools, police stations and courthouses
- developed association with interstate counterparts through the Government Architect's Network Australia.

**Patrick Richards**

Position: Managing Director, NSW Businesslink

Level: SES 5

Remuneration: \$247,300

The Minister has authorised the Chair of the Board of NSW Businesslink Pty Ltd to conduct the performance review of the Managing Director, Mr Pat Richards. The Chair, Jan McClelland, has indicated her satisfaction with Mr Richards' performance through the year, having successfully met his objectives and achieved the outcomes required.

*2006/07 highlights*

- effective operation of the first year as a full fee for service company, including benchmarked pricing;
- continued improvement in service delivery, fiscal disciplines, governance and risk assessment and management
- development and commencement of implementation of a comprehensive Business Continuity Management program
- implementation of a number of core IT infrastructure and software projects, both within the business as well as in client agencies
- introduction of new revenue streams, such as Learning & Development, and premium services, such as Recruitment
- development of improved workforce planning capability
- implementation of a performance management system for all staff, GOAL (Grow Outcomes and Learn), and an associated staff awards program, Applause.

**Rodney Stowe**

Position: Deputy Commissioner, Office of Fair Trading

Level: SES 5

Remuneration: \$230,828

*2006/07 highlights*

Successfully managed all aspects of Policy & Strategy Division responsibilities and role of Deputy Commissioner for Fair Trading - in particular:

- met 11 of 12 targets in the 2006-2007 Performance Agreement - with one target un-met due to external agency actions
- successfully pursued NSW's interests by influencing the national agenda through Ministerial Council on Consumer Affairs and the Standing Committee of Officials on Consumer Affairs
- successfully delivered the Fair Trading Legislative Program to the satisfaction of the Commissioner and Minister and meeting all Parliamentary and Cabinet time frames
- ensured the provision of a full range of quality education and information products and initiatives for consumers and traders in New South Wales.

**Elizabeth Zealand**

Position: Director, Corporate Services and Review (July 2006 – 15 June 2007)

(Glenn Smith acting from 18 June 2007- \$247,300)

Level: SES 5

Remuneration: \$245,103

*2006/07 highlights*

- completion of the roll out of the rationalised ERP project across Commerce that resulted in the retirement of legacy systems, reduced ERP costs and a functional and technical SAP upgrade delivering improved self service capabilities
- delivery of savings targets across shared corporate services, procurement initiatives, and asset management reform, including motor vehicles, mobile phones, lease management and Imaging devices.
- improved levels of customer service were achieved across Corporate Services
- review and development of strategic plans and policies for IMT, Human Resources and Business Infrastructure
- establish and sponsor Interagency Senior Officers Working Group for shared services reform across Government
- participation in Interagency Standing Committee on Disability
- executive sponsor for McKell refurbishment strategy
- development and testing of Business Continuity Planning.

### **Change in SES positions 2006/07**

Paul Edgecumbe

Level: SES 5

Position: Government Chief Information Officer

Remuneration: \$247,300

Resigned: 25 May 2007

## Employment statistics

**Table A (Full time equivalent)**

Category	At 30 June 2004 <sup>1</sup>	At 30 June 2005 <sup>1</sup>	At 30 June 2006 <sup>1</sup>	At 30 June 2007 <sup>1</sup>
Archivist				<b>32.15</b>
Chairpersons	6	6	6	<b>6</b>
Clerical Assistant	12	2	2	<b>2</b>
Clerical Officer	48	43	45.60	<b>142.47</b>
Clerk	3,028	2,613	2,517.03	<b>3029.13</b>
Conservator				<b>2.40</b>
Legal Officer	30	24	24.30	<b>26.30</b>
Professional	249	232	244.83	<b>243.55</b>
Project	9	7	4	<b>2.00</b>
Senior Executive Service	55	55	44.80	<b>48.8</b>
Senior Management	68	62	50	<b>46</b>
Senior Officer	60	69	86.10	<b>154.3</b>
Technical	22	29	24.80	<b>19.80</b>
Wages	182	153	131	<b>136.00</b>
Librarian/Library Technicians				<b>0</b>
Other General Division				<b>10.37</b>
<b>Total</b>	<b>3,763</b>	<b>3,289</b>	<b>3,174.46</b>	<b>3895.27<sup>2, 3</sup></b>

**Notes Table A**

1. Full time equivalent staff (excludes casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave with out pay)
2. 132.92 of total are made up of Corporate Shared Services figures
3. 568 of total made up of NSW BusinessLink
4. Total does not include Chairpersons

**Table B (Headcount)**

Senior Executive Service positions by level	At 30 June 2005	At 30 June 2006	At 30 June 2007
8	1	1	<b>0</b>
7	-	-	<b>0</b>
6	2	2	<b>2</b>
5	5	8	<b>7</b>
4	9	5	<b>11</b>
3	13	15	<b>17</b>
2	13	10	<b>9</b>
1	6	4	<b>3</b>
<b>Total</b>	<b>49</b>	<b>46</b>	<b>49</b>
Positions filled by women	10	12	<b>11</b>
Unattached staff	6	1	<b>0</b>

## **Employment relations policies and practices**

An active program of consultation with unions and staff meant only a small number of formal disputes went to the NSW Industrial Relations Commission in 2006/07. There were also only a small number of matters lodged by staff associations, under the relevant provision in the awards pursuant to the Disputes Avoidance clauses.

Other more general industrial relations activities included support for major restructuring programs in a number of Commerce business units, including NSW Procurement; Fair Trading Information Centre and Home Building of the Office of Fair Trading (OFT); several areas of the Office of Public Works and Services (OPWS) including, Project Management Branch, Programs Branch, Central Corporate Services Unit, Facilities Management Branch, StateFleet and NSW Procurement.

Other projects included the integration of the Property Valuation Services from Commerce into the Department of Lands and the integration of State Records into Commerce from the Department of Arts.

### **NSW sector wide programs**

During 2006/07, Commerce was active in a broad range of sector-wide advisory committees, led by the Department of Premier and Cabinet. This included lead agency in the Engineering Skills Shortage Working Party, the Workforce Planning Advisory Committee, the Senior Employee Relations Network and the NSW Capability Framework Interagency Committee.

### **Redeployment of displaced officers**

In 2006/07, significant efforts were devoted to the management of officers who had become displaced as a result of the major restructuring programs in Commerce.

Commerce continued a program of individual case management support and structured in-house training to prepare displaced staff to be considered for vacancies in the public and private sector, and appointed a dedicated career coach.

As a consequence of these and other recruitment initiatives, 48 displaced officers were redeployed into permanent positions during the year. At 30 June 2007, there were 65 displaced officers within Commerce, of these 52 per cent were performing valuable work for the Department or other NSW government agencies. The remaining officers were awaiting placement in either temporary or permanent positions, undertaking career coaching or were considering offers of voluntary redundancy.

### **Consultative programs and organisational wide initiatives**

Consultative programs continue with the major industrial stakeholders for Commerce, via either the Commerce Consultative Committee for salaried staff or the Joint Consultative Committee for wages employees.

Employment Relations staff are playing an active part in a number of major Commerce corporate initiatives such as the Contingent Workforce Project and the Workforce Planning Program.

### **Graduate program**

The Commerce graduate program aims to attract talented graduates and develop their potential as Commerce's future leaders, managers and key specialists. Currently, there are 32 graduates from disciplines that include architecture, engineering, building and construction project management and finance.

As part of their professional development, the graduates participated in a series of forums to address their professional development. The forums included, business communication skills including business writing and delivering presentations; business relationship management; job applications and interview skills; and leadership and management.

The graduate program was reviewed in 2006/07 and while Commerce will continue to employ graduates in several disciplines, the professional development they will receive will be more tailored to the individual and their career path.

### **Workforce Planning**

The Commerce Workforce Planning Framework and Action Plan were developed during the year. The Framework considers what the current and future workforce requirements of Commerce will be, taking into account internal and external factors. The Framework is integrated with other planning arrangements, such as Commerce's Corporate Plan 2006-2010 and Commerce HR Services Strategic Plan (People Strategy). It aims to be consistent and evidence based to ensure that decisions are informed by reliable information and robust methodologies.

The Workforce Planning Action Plan contains a series of strategies to support Commerce's workforce and program alignment. It provides a framework for ensuring workforce planning recommendations be taken forward.

Key achievements in workforce planning:

- scenario planning workshops were conducted with members of the Workforce Planning Group to clarify future workforce needs and develop organisational-wide strategies and action plans
- a survey of critical skills, knowledge and experience across Commerce business areas was undertaken to identify workforce capability needs and gaps at the organisational and business level
- a new workforce planning data framework based on a Human Resource metrics standard was developed to meet future workforce planning data needs
- a Commerce specific Retirement Intentions Survey was conducted for employees 45 years of age and over. Results have identified skills and the occupational categories within business units that will be most affected by retirements within the next 10 years, have been identified. A series of recommendations have been developed for implementation
- implementation of strategies to address the shortage of engineers.

### **Human Resources Services Strategic Plan 2007- 2010**

The Commerce Human Resource Services Strategic Plan 2007-2010 covers critical issues impacting on the Commerce current and future operations.

The Strategy concentrates on six priorities:

- provide a quality human resource service to Commerce
- encourage and support the engagement, flexibility, and retention of the Commerce workforce
- ensure our leaders at all levels champion Commerce, provide clear and consistent direction, and are accessible and visible
- ensure we have the rights skills to do our jobs
- ensure we have a safe and healthy workplace
- support effective corporate communication channels across Commerce.

### **Learning and Development**

During this financial year, Commerce continued to support its staff in doing their job better and with career development. There was substantial training and development activity in each of the four strands of its learning and development framework.

#### **Foundation programs**

An extensive training program related to the Code of Conduct was run throughout Commerce. In excess of 80 per cent of staff have now completed a Code of Conduct course that underpins the culture and values of our organisation.

The rollout of the Performance Development Program commenced during 2006/07. This program is progressively being implemented by business units, as part of their planning process. The Performance Development Program links Commerce's planning, reporting and organisational performance process. It enables everyone in Commerce to connect what they do with what Commerce must deliver to the NSW community on behalf of the Government.

Generic Business skills programs, building common Commerce-wide capability, focused on transferable skills. Most activity related to either desktop software skills or business writing.

Leadership and management capability has been enhanced with development opportunities across all levels. This financial year, a further eighteen Certificate IV and nine Diploma supervisors and managers graduated from the Frontline Management Program, and there were twenty-four enrolments for a further Certificate IV program.

Commerce has participants in the suite of executive development programs sponsored by the NSW Department of Premier and Cabinet, including:

- Executive Masters in Public Administration
- Graduate Diploma in Public Administration
- Executive Development Program.

Fifteen staff submitted nominations for the 2008 intake of executive development programs.

### **Technical and specialised skills**

Programs of training and accreditation in both procurement and risk management were conducted to meet specific business needs.

## **Equity and diversity**

### **Our community**

Commerce continued its commitment to achieving diversity and equity outcomes in the workplace and in its dealings with the NSW community throughout 2006/07.

Central to achieving these outcomes is the creation of a working environment where staff are able to contribute their skills, knowledge and experience to the delivery of quality services. Our diversity and equity programs recognise cultural and community needs and expectations, deliver social justice outcomes to clients and staff, reflect best practice, and comply with statutory and legislative requirements.

### **Employment equity**

In 2006/07, Commerce continued the integration of employment equity outcomes for Equal Employment Opportunity (EEO) groups in its workforce planning activities. Our goals for the coming year will be to further integrate and align EEO strategies with Commerce's Workforce Planning Action Plan and position Commerce as an employer of choice by ensuring it has flexible work practices and family-friendly arrangements.

Commerce is committed to targets, which improve the representation of women, people with disabilities, people of the Aboriginal and Torres Strait Islander community, and people whose first language is other than English across all levels of the organisation. Our achievements for this year included:

- an increase in the overall representation of women in Commerce's workforce from 42 per cent to 44 per cent
- contracting a work/life consultancy, "Families at Work", to provide support information on childcare, vacation care, dependent, and elder care
- women make up 44 per cent of Commerce's councils and advisory boards
- One hundred and twelve staff, who collectively have accreditation in 29 languages, receive the Community Language Allowance Scheme (CLAS)
- maintaining the EEO Survey response rate at above the benchmark rate of 83 per cent
- the development of the Human Resources Strategic Plan 2007-2010 which aims to ensure diversity and equity is maintained within Commerce's workforce
- informing new employees of the Department's Discrimination, Harassment and Bullying Policy as part of the online induction program
- the inclusion of questions relating to diversity and equity in Commerce's new online exit questionnaire.

## Women

There was a range of Commerce activities for women during the year:

- the Xplore development program was piloted in metropolitan Sydney and the Springboard program was conducted at Bathurst. The Spokeswomen's Program elections resulted in four new members. The Spokeswomen's Planning Day was held and a two-day merit selection workshop, consisting of job application and panel member skills
- for International Women's Day, our staff joined UNIFEM events throughout NSW at Sydney, Parramatta and Newcastle. In a joint venture with Workcover NSW, staff from the Office of Fair Trading located in Parramatta and Penrith celebrated International Women's Day, with a program that included an Aboriginal cultural exchange and organised speakers discussing mentoring, self-management and goal setting for women
- Commerce women attended the Department of Premier and Cabinet Women's Employment & Development Forums, which were conducted in Parramatta and Sydney and included participants via videoconference to Coffs Harbour, Raymond Terrace and Armidale. The sixteen Commerce staff participated in discussions exploring ways to improve the participation, representation and development of women within the NSW public sector
- the review of the Spokeswomen's Program commenced with a needs and interest survey distributed to all women within the Sydney metropolitan area. Feedback analysis will form basis for further program enhancements
- the Office of Industrial Relations provided brochures and internet information to assist women in the workplace. It revised and distributed more than 50,000 copies of Maternity at Work, assisting women workers and their employers across industrial jurisdictions in NSW with the procedures and obligations for taking and returning from maternity leave
- the Women's Equity Bureau published findings from its year-long survey on work/life balance for employers and employees. Research partnerships are underway investigating caring and work, parental leave access and usage, and the impact of Work Choices on women workers in NSW.

## People with a Disability

Commerce's Disability Action Plan 2006-2008 continues to assist staff and customers with a disability in key areas such as access, learning and development, information about services, and employment.

Achievements included:

- donation by Extracar (StateFleet) of 12 station wagons for two weeks to the NSW Wheelchair Sports Association for a tennis tournament
- access audits of the Wagga Wagga and Doonside offices of the Office of Public Works and Services
- provision of sign language interpreters to staff who are deaf or hearing impaired at meetings
- sponsorship of the "Don't DIS My Ability" campaign to celebrate International Day of People with a Disability
- provisions of reasonable adjustments to employees with a disability through work and job redesign and provision of equipment
- provision of Telephone Typewriters (TTYs) in several operational areas to enable customers who are deaf or hearing impaired to access Commerce's services.

## Aboriginal and Torres Strait Islander People

Commerce continued to provide better and more accessible service to Aboriginal and Torres Strait Islander communities in 2006/2007.

OFT produces a range of consumer educational and promotional material for NSW Indigenous communities focusing on a wide range of issues. This year a financial literacy package aimed at assisting various groups experiencing financial hardship was released. The package has been promoted and delivered to a range of groups including Aboriginal and Torres Strait Islander communities.

To reach Aboriginal communities, OFT provided information at a range of events across the state including: Croc Fest, the Koori Knockout Rugby League, NAIDOC Week activities

celebrating the survival of Indigenous culture and the Indigenous contribution to modern Australia, Harmony Day celebrations, Indigenous Family Fun days and Survival Day.

In conjunction with other government agencies, OFT conducted forums such as Good Services and Do it right and ran tenancy information sessions. In secondary schools, the Fair Trading presentations on Kooris and cars and Revved Up purchasing a car program were very successful.

OFT has a commitment to the National Indigenous Consumer Strategy 'Taking Action, Gaining Trust'. The plan identifies actions in key priority areas: employment of Indigenous staff in consumer agencies; advocacy of Indigenous consumers' interests; housing; financial management and banking; motor vehicles and boats; trading practice, and the arts industry.

### **Indigenous Employment in Commerce**

OIR continues to provide advice and information on employment matters to employers, employees and land councils through community forums, regularly distributing the newsletter *Two Rivers* and providing updates to the employment manual *Aboriginal and Torres Strait Islander Employment Information Kit*.

OPWS sponsored an annual prize for one Aboriginal student in the Australian Indigenous Engineering Summer School.

Commerce's Indigenous Annual conference this year had a focus on 'Improving service delivery to Indigenous communities' with key speakers from RTA in relation to cultural awareness training and Department of Aboriginal Affairs as the lead agency in NSW for Aboriginal affairs. Commerce management and Indigenous staff workshopped ideas and strategies for improvement of service delivery to Indigenous communities.

Commerce's Aboriginal Employment Strategy 2005-2008 continued to deliver employment outcomes for people of an Aboriginal and Torres Strait Islander background. This year, Commerce recruited:

- two Elsa Dixon program employees
- eight Aboriginal cadets
- one Aboriginal apprentice stonemason.

Initiatives to support the retention of Aboriginal staff in the Department are:

- Staff Mentoring Program
- Staff Satisfaction Survey
- Intranet site to include specific information for Aboriginal staff.

### **Rural, remote, and regional**

OFT delivers services to all consumers and traders in NSW through Fair Trading Centres, the vast network of Government Access Centres and Regional Access Programs. These programs take information and services to consumers and traders in more remote rural outlying areas and smaller regional centres. Information stalls in shopping centres and main streets, visits to retailers, community education seminars and the distribution of brochures are some ways in which we assist people in rural areas understand their rights and responsibilities.

OIR set up its Working on the Land initiative, developing a dedicated web page with tailored information about pastoral awards plus specialised workshops for employers and employees in regional area.

### **Youth**

OIR continues to work closely with OFT and educational outlets to assist young people to better understand their workplace rights and promote the *Money Stuff! Work Smart* curriculum-based high school resource package.

OIR delivered an extensive range of presentations through TAFE colleges and high schools providing information on workplace rights and responsibilities and developed a new publication *Offered a job – Know your legal rights* which provides helpful workplace information in a format specifically tailored for young workers. A new website, Young People at Work ([www.youngpeopleatwork.nsw.gov.au](http://www.youngpeopleatwork.nsw.gov.au)) was developed to provide information to young workers.

The OFT program, *Money Stuff Challenge*, continues to be a successful means of educating high school students about their rights and responsibilities in the area of consumer and financial literacy. The Challenge is based around the award-winning educational resource *Money Stuff*. The program includes a website, video and teacher books in English, maths and commerce.

The OFT *Revved Up* program is presented to year 11 and 12 high school students to assist them to understand their rights, and possible pitfalls, when buying a car. The program covers consumer rights associated with buying a car, contractual obligations and stresses the need to ensure that a vehicle is roadworthy and mechanically sound.

### **Ethnic Affairs Priority Statement**

Commerce developed an Ethnic Affairs Priority Statement (EAPS) Plan for 2006/08 that includes the provision of a range of services for people from culturally and linguistically diverse (CALD) backgrounds through initiatives reflecting their diverse needs.

### **Consultation, liaison and communication**

Ongoing consultation and liaison at a local and regional level with a variety of multicultural, ethno-specific and community groups contributed to the development of a range of appropriate communication strategies. A range of translated information is available online and in print format.

The OIR community relations communications plan provides information on workplace rights and responsibilities to CALD communities. The initiatives include building relationships with communities, participation in community events and meetings, and the development of translated resources and educational materials in key community languages. OIR continues to enforce the retailers' code of conduct and worked with Workcover NSW to inspect clothing manufacturers in the Sydney region.

OFT continued its education strategy for community members from CALD backgrounds by delivering information and education services through its *Think Smart* partnerships. This year, the strategy continued to address tenancy and general consumer issues by actively raising awareness of the role and services of Fair Trading. The strategy was also extended to target landlords and real estate agents from CALD backgrounds. In 2006, the *Think Smart* program received a Commendation Award under the Premier's Public Sector Awards program in the Social Justice category. The award was for improved services to disadvantaged groups.

Seminars and presentations are also conducted on a regular basis for a variety of ethnic communities and community workers. Ethnic media channels are used to provide information on key issues.

### **Language services**

Commerce continued to provide language assistance for clients through free telephone and person interpreter services or through staff accredited as language aides under the Community Languages Allowance Scheme. One hundred and twelve staff have accreditation in 30 languages, of which seven have accreditation from the National Accreditation Authority for translators and interpreters. Language assistance referral points are included in relevant publications and on Commerce websites.

### **Customer profile survey**

OFT's annual Customer Profile Survey assessed the extent to which people from CALD and Aboriginal and Torres Strait Islander communities are using its services. The results once more showed the proportion of OFT clients from these backgrounds exceeds their representation in the NSW population.

### **Ethnic Affairs Priority Statement – Future Strategies**

As part of the EAPS over the coming year we will:

- continue to implement appropriate education, community awareness, consultation, liaison and communication strategies
- continue to provide appropriate language assistance

- investigate a data collection process to measure usage of services by people from diverse cultural and linguistic backgrounds
- review procedures and guidelines for advisory boards and committees, tendering procedures and funded or contract services.

**Table A - Trends in the representation of EEO target groups in %**

EEO target group	% of total staff <sup>1</sup>				
	Benchmark	2003/04	2004/05	2005/06	2006/07
Women	50	40	41	42	<b>44</b>
Aboriginal people and Torres Strait Islanders	2	1.9	2	2	<b>2.3</b>
People whose first language was not English	20	24	24	25	<b>25</b>
People with a disability	12	10	10	10	<b>10</b>
People with a disability requiring work-related adjustment	7	3.4	3.6	3.5	<b>3.5</b>

**Table B – Trends in the distribution of EEO target groups**

EEO target group	Distribution Index <sup>2</sup>				
	Benchmark	2003/04	2004/05	2005/06	2006/07
Women	100	88	87	87	<b>88</b>
Aboriginal people and Torres Strait Islanders	100	78	73	76	<b>79</b>
People whose first language was not English	100	94	94	95	<b>96</b>
People with a disability	100	98	97	96	<b>94</b>
People with a disability requiring work-related adjustment	100	91	91	91	<b>87</b>

**Notes**

1. Excludes casual staff
2. The distribution index measures the extent to which the distribution of EEO groups across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be 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 EEO group isles concentrated at lower salary levels. This Distribution Index is automatically calculated by the software provided by Employment Equity Diversity Branch, Premier's Department. The distribution index is not calculated where EEO group or non-EEO group members are less than twenty.

## Occupational Health Safety and Injury Management

Commerce is committed to fulfilling its obligations and duty of care to employees, contractors, visitors and clients as required by NSW Occupational Health and Safety and Injury Management (OHS&IM) legislation.

The following initiatives were undertaken or commenced in 2006/07 to comply with these requirements:

- senior management training in OHS&IM roles and responsibilities, were completed for over 90 per cent of managers, including training of regional managers
- restructure of the OHS&IM Unit, including the addition of an OH&S Compliance Specialist to develop a Commerce wide OHS management system
- development of the OHS Management System training package for roll-out during the latter half of 2007
- increased profile of OH&S with the placement of updated relevant information on notice boards
- increased activity of the Commerce Senior Management OHS Advisory Committee which supervises OHS policy and procedural issues within Commerce and provides advice to the Commerce Executive on OH&S matters
- regular contact with the seventeen OHS Committees, one working group and FWEOHS representatives to provide support, guidance and information
- improvements and update of information and contacts on the OHS&IM intranet site
- an OHS&IM document review to amend and update all OHS&IM documents and publications on the Department's intranet.

### Staff welfare initiatives

As part of the Department's commitment to staff health and welfare, the following staff welfare initiatives took place in 2006/07:

- influenza Vaccination Program to staff in March 2007
- workstation ergonomics training and assessments
- ongoing training in use of the automatic external defibrillator for resuscitation
- advanced Return to Work Coordinator's training
- First Aid Officers' directory established and updated quarterly
- on going training of First Aid Officers
- on going training of OHS Committee Members.

### Workers Compensation Claims for 2006/07

Office	2004/05 Number injuries resulting in claims	2005/06 Number injuries resulting in claims	2006/07 Number injuries resulting in claims	Number of claims resulting in time lost	Time lost per injury (days)	Average time lost per injury (days)
	Claims	Claims	Claims	Claims	Claims	Claims
Fair Trading	29	33	<b>32</b>	17	346	20.4
Industrial Relations	8	6	<b>3</b>	3	16	5.3
Public Works and Services	43	40	<b>47</b>	25	690	27.6
NSW Procurement	2	1	-	-	-	-
Corporate Services and Review	1	3	-	-	-	-
Director-General	1	-	-	-	-	-
<b>TOTALS</b>	<b>84</b>	<b>83</b>	<b>82</b>	<b>45</b>	<b>1052</b>	<b>23.4</b>

Claims numbers do not include "journey claims", as they do not directly impact on the workers compensation premium.



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Department of Commerce and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Department of Commerce (the Department), and the Department and controlled entities (the consolidated entity), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense, cash flow statement, program statement - expenses and revenues, and summary of compliance with financial directives for the year then ended, and a summary of significant accounting policies and other explanatory notes. The consolidated entity comprises the Department and the entities it controlled at the year's end or from time to time during the financial year.

#### *Auditor's Opinion*

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Department and the consolidated entity as of 30 June 2007, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

#### *Director-General's Responsibility for the Financial Report*

The Director-General is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

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

I believe that 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 Department or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically,
- about the effectiveness of their internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

*Independence*

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards 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, and
- 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 are not compromised in their role by the possibility of losing clients or income.



M P Abood CPA  
Director, Financial Audit Services

19 October 2007  
SYDNEY

DEPARTMENT OF COMMERCE

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007

STATEMENT BY THE DIRECTOR-GENERAL

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Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, I state that:

- (a) The accompanying consolidated financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the *Public Finance and Audit Regulation 2005* and the Treasurer's Directions;
- (b) The financial statements exhibit a true and fair view of the financial position and transactions of the Department for the period ended 30 June 2007;
- (c) At the date of this statement there are no circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.



Director-General  
Department of Commerce

19/10/07



<b>NSW DEPARTMENT OF COMMERCE</b>						
<b>OPERATING STATEMENT</b>						
<b>FOR THE YEAR ENDED 30 JUNE 2007</b>						
	Notes	Consolidated		Department of Commerce		
		Actual 2007 \$'000	Actual 2006 \$'000	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
<b>Expenses excluding losses</b>						
Operating Expenses						
Employee related	2(a)	330,178	308,978	327,702	296,732	306,653
Other operating expenses	2(b)	146,424	145,174	143,401	126,206	141,835
Depreciation and amortisation	2(c)	158,273	121,659	157,673	132,688	121,077
Grants and subsidies	2(d)	50,996	29,496	50,996	38,423	29,496
Finance costs	2(e)	30,887	24,393	30,876	39,797	24,379
Other expenses	2(f)	10,529	1,601	10,529	10,870	1,601
<b>Total Expenses excluding losses</b>		<b>727,287</b>	<b>631,301</b>	<b>721,177</b>	<b>644,716</b>	<b>625,041</b>
Less:						
<b>Revenue</b>						
Sale of goods and services	3(a)	514,427	446,899	508,785	519,854	441,975
Investment revenue	3(b)	14,742	12,576	14,657	9,702	12,495
Retained taxes, fees and fines	3(c)	54,460	43,950	54,460	43,063	43,950
Grants and contributions	3(d)	13,746	10,164	13,127	9,628	9,183
Other revenue	3(e)	51	52,370	51	424	52,354
<b>Total Revenue</b>		<b>597,426</b>	<b>565,959</b>	<b>591,080</b>	<b>582,671</b>	<b>559,957</b>
<b>Gain/(loss) on disposal of non-current assets</b>	4	<b>(6,041)</b>	<b>(17,246)</b>	<b>(6,041)</b>	<b>(30,579)</b>	<b>(17,246)</b>
<b>Other gains/(losses)</b>		-	-	-	<b>(1,749)</b>	-
<b>Net Cost of Services</b>		<b>135,902</b>	<b>82,588</b>	<b>136,138</b>	<b>94,373</b>	<b>82,330</b>
<b>Government Contributions</b>						
Recurrent appropriation	5	159,829	130,931	159,829	111,221	130,931
Capital appropriation	5	9,587	23,668	9,587	7,820	23,668
Acceptance by the Crown Entity of employee benefits and other liabilities	6	5,313	4,999	5,313	5,072	4,999
<b>Total Government Contributions</b>		<b>174,729</b>	<b>159,598</b>	<b>174,729</b>	<b>124,113</b>	<b>159,598</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>38,827</b>	<b>77,010</b>	<b>38,591</b>	<b>29,740</b>	<b>77,268</b>
Income Tax	1(ae)	-	4,183	-	3,766	4,183
<b>SURPLUS/(DEFICIT) FOR THE YEAR AFTER INCOME TAX</b>		<b>38,827</b>	<b>72,827</b>	<b>38,591</b>	<b>25,974</b>	<b>73,085</b>

The accompanying notes form part of these statements.

<b>NSW DEPARTMENT OF COMMERCE</b>						
<b>STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2007</b>						
	Notes	Consolidated		Department of Commerce		
		Actual 2007 \$'000	Actual 2006 \$'000	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
Net increase/(decrease) in property, plant and equipment asset revaluation reserve		-	-	-	-	-
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>		-	-	-	-	-
Surplus/(deficit) for the year		38,827	72,827	38,591	25,974	73,085
<b>TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR</b>	21	<b>38,827</b>	<b>72,827</b>	<b>38,591</b>	<b>25,974</b>	<b>73,085</b>
Outside equity interest		(101)	111	-	-	-
		<b>38,726</b>	<b>72,938</b>	<b>38,591</b>	<b>25,974</b>	<b>73,085</b>
<b>EFFECT OF CHANGES IN ACCOUNTING POLICY AND CORRECTION OF ERRORS</b>		-	-	-	-	-
Accumulated Funds Reserves	21	<b>38,726</b>	<b>72,938</b>	<b>38,591</b>	<b>25,974</b>	<b>73,085</b>
		-	-	-	-	-
		<b>38,726</b>	<b>72,938</b>	<b>38,591</b>	<b>25,974</b>	<b>73,085</b>

The accompanying notes form part of these statements.

NSW DEPARTMENT OF COMMERCE						
BALANCE SHEET AS AT 30 JUNE 2007						
	Notes	Consolidated		Department of Commerce		
		Actual 2007 \$'000	Actual 2006 \$'000	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	9	367,338	302,212	365,831	312,496	300,394
Receivables	10	248,638	202,298	247,971	205,370	201,636
Inventories	11	638	638	638	654	638
Financial assets at fair value	12	24,855	27,670	24,855	33,554	27,670
Other	13	62,379	64,836	62,351	80,670	64,822
Non-current assets held for sale	16	16,000	16,000	16,000	-	16,000
<b>Total Current Assets</b>		<b>719,848</b>	<b>613,654</b>	<b>717,646</b>	<b>632,744</b>	<b>611,160</b>
<b>Non-Current Assets</b>						
Inventories	11	5,529	5,805	5,529	5,659	5,805
Property, plant and equipment	14					
Land and Buildings		86,741	25,076	86,741	24,884	25,076
Plant and Equipment		613,565	526,578	612,270	596,582	525,206
Leasehold Improvements		8,423	9,456	8,423	9,456	9,456
Total property, plant and equipment		708,729	561,110	707,434	630,922	559,738
Intangible assets	15	52,185	58,720	52,185	70,145	58,720
<b>Total Non-Current Assets</b>		<b>766,443</b>	<b>625,635</b>	<b>765,148</b>	<b>706,726</b>	<b>624,263</b>
<b>Total Assets</b>		<b>1,486,291</b>	<b>1,239,289</b>	<b>1,482,794</b>	<b>1,339,470</b>	<b>1,235,423</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	17	278,023	262,217	277,564	269,376	261,906
Borrowings	18	262,243	217,705	262,077	217,705	217,705
Provisions	19	122,200	102,500	122,024	102,068	102,303
Other	20	9,883	19,315	9,363	17,543	17,646
<b>Total Current Liabilities</b>		<b>672,349</b>	<b>601,737</b>	<b>671,028</b>	<b>606,692</b>	<b>599,560</b>
<b>Non-Current Liabilities</b>						
Borrowings	18	266,230	220,074	266,230	294,550	220,074
Other	20	6,731	298	6,319	1,639	140
<b>Total Non-Current Liabilities</b>		<b>272,961</b>	<b>220,372</b>	<b>272,549</b>	<b>296,189</b>	<b>220,214</b>
<b>Total Liabilities</b>		<b>945,310</b>	<b>822,109</b>	<b>943,577</b>	<b>902,881</b>	<b>819,774</b>
<b>Net Assets</b>		<b>540,981</b>	<b>417,180</b>	<b>539,217</b>	<b>436,589</b>	<b>415,649</b>
<b>EQUITY</b>						
Reserves	21	18,607	18,607	18,607	18,607	18,607
Accumulated funds		525,111	401,411	520,610	417,982	397,042
Outside equity interest		(2,737)	(2,838)	-	-	-
<b>Total Equity</b>		<b>540,981</b>	<b>417,180</b>	<b>539,217</b>	<b>436,589</b>	<b>415,649</b>

The accompanying notes form part of these statements.

<b>NSW DEPARTMENT OF COMMERCE</b>						
<b>CASH FLOW STATEMENT</b>						
<b>FOR THE YEAR ENDED 30 JUNE 2007</b>						
	Notes	Consolidated		Department of Commerce		
		Actual 2007 \$'000	Actual 2006 \$'000	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(306,875)	(303,016)	(304,588)	(305,612)	(303,016)
Grants and subsidies		(53,692)	(29,496)	(53,692)	(38,423)	(29,496)
Finance costs		(30,939)	(24,425)	(30,876)	(39,797)	(24,379)
Equivalent income tax		(1,046)	(3,137)	(1,046)	(1,046)	(3,137)
Other	24	(1,522,215)	(1,494,220)	(1,518,768)	(419,860)	(1,488,764)
<b>Total Payments</b>		<b>(1,914,767)</b>	<b>(1,854,294)</b>	<b>(1,908,970)</b>	<b>(804,738)</b>	<b>(1,848,792)</b>
<b>Receipts</b>						
Sale of goods and services	24	1,860,343	1,776,446	1,854,464	518,392	1,770,280
Retained taxes, fees and fines		52,088	43,968	52,088	43,063	43,968
Interest received		15,912	12,835	15,833	8,384	12,754
Other		13,127	12,864	13,127	293,346	12,864
<b>Total Receipts</b>		<b>1,941,470</b>	<b>1,846,113</b>	<b>1,935,512</b>	<b>863,185</b>	<b>1,839,866</b>
<b>Cash Flows from Government</b>						
Recurrent appropriation		164,237	138,126	164,237	111,221	138,126
Capital appropriation		9,587	24,705	9,587	7,820	24,705
<b>Net Cash Flows from Government</b>		<b>173,824</b>	<b>162,831</b>	<b>173,824</b>	<b>119,041</b>	<b>162,831</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	25	<b>200,527</b>	<b>154,650</b>	<b>200,366</b>	<b>177,488</b>	<b>153,905</b>

<b>NSW DEPARTMENT OF COMMERCE</b>						
<b>CASH FLOW STATEMENT</b>						
<b>FOR THE YEAR ENDED 30 JUNE 2007</b>						
<b>(cont'd)</b>						
	Notes	Consolidated		Department of Commerce		
		Actual 2007 \$'000	Actual 2006 \$'000	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of Land and Buildings, Plant and Equipment and Infrastructure Systems		127,612	105,378	127,612	118,668	105,378
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(348,013)	(330,267)	(347,490)	(332,530)	(330,044)
Proceeds from sale of investments		-	-	-	-	-
Purchases of investments		-	-	-	(4,584)	-
Other		-	-	-	(15,838)	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(220,401)</b>	<b>(224,889)</b>	<b>(219,878)</b>	<b>(234,284)</b>	<b>(224,666)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings and advances		90,579	78,692	90,528	74,476	78,692
Repayment of borrowings and advances		-	(449)	-	-	-
Transfer to NSW Treasury		(5,579)	(27,246)	(5,579)	(5,578)	(27,246)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>85,000</b>	<b>50,997</b>	<b>84,949</b>	<b>68,898</b>	<b>51,446</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>65,126</b>	<b>(19,242)</b>	<b>65,437</b>	<b>12,102</b>	<b>(19,315)</b>
Opening cash and cash equivalents		302,212	321,454	300,394	300,394	319,709
Cash transferred in (out) as a result of administrative restructuring		-	-	-	-	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	9	<b>367,338</b>	<b>302,212</b>	<b>365,831</b>	<b>312,496</b>	<b>300,394</b>

The accompanying notes form part of these statements.

## Program Statement - Expenses and Revenues for the Year Ended 30 June 2007

EXPENSES AND REVENUES	Public Works and Services		NSW Procurement		Fair Trading*		Industrial Relations		Business and Personnel Services		Not Attributable		Department of Commerce Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Expenses excluding losses</b>														
Operating Expenses														
• Employee related	152,583	165,139	40,198	41,580	96,515	87,130	14,716	12,804	23,690	-	-	-	327,702	306,653
• Other operating expenses	49,645	49,189	40,960	50,993	42,067	46,041	5,159	7,427	5,570	-	-	-	143,401	153,650
Depreciation and amortisation	130,302	98,932	14,688	12,090	10,720	9,182	882	873	1,081	-	-	-	157,673	121,077
Grants and subsidies	25,196	-	11,249	14,551	14,551	14,924	-	21	-	-	-	-	50,996	29,496
Finance costs	30,876	24,379	-	-	-	-	-	-	-	-	-	-	30,876	24,379
Other expenses	13,339	-	2,767	365	2,071	1,236	-	-	(7,648)	-	-	-	10,529	1,601
<b>Total Expenses excluding losses</b>	<b>401,941</b>	<b>337,639</b>	<b>109,862</b>	<b>119,579</b>	<b>165,924</b>	<b>158,513</b>	<b>20,757</b>	<b>21,125</b>	<b>22,693</b>	-	-	-	<b>721,177</b>	<b>636,856</b>
<b>Revenue</b>														
Sale of goods and services	382,254	336,935	69,568	76,843	44,980	39,843	132	169	11,851	-	-	-	508,785	453,790
Investment revenue	5,302	6,988	2,089	2,423	6,731	3,058	495	26	40	-	-	-	14,657	12,495
Retained taxes, fees and fines	-	-	-	-	54,460	43,950	-	-	-	-	-	-	54,460	43,950
Grants and contributions	-	-	2,873	67	9,545	9,077	160	39	549	-	-	-	13,127	9,183
Other revenue	22	40,212	-	11,305	-	491	-	346	29	-	-	-	51	52,354
<b>Total Revenue</b>	<b>387,578</b>	<b>384,135</b>	<b>74,530</b>	<b>90,638</b>	<b>115,716</b>	<b>96,419</b>	<b>787</b>	<b>580</b>	<b>12,469</b>	-	-	-	<b>591,080</b>	<b>571,772</b>
Gain/(loss) on disposal	(4567)	(16,800)	(179)	(29)	(1,163)	(260)	(57)	(157)	(75)	-	-	-	(6,041)	(17,246)
Profit on sale of discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET COST/ (SURPLUS) OF SERVICES</b>	<b>18,930</b>	<b>(29,696)</b>	<b>35,511</b>	<b>28,970</b>	<b>51,371</b>	<b>62,354</b>	<b>20,027</b>	<b>20,702</b>	<b>10,299</b>	-	-	-	<b>136,138</b>	<b>82,330</b>

## Program Statement - Expenses and Revenues for the Year Ended 30 June 2007 (cont'd)

EXPENSES AND REVENUES	Public Works and Services		NSW Procurement		Fair Trading*		Industrial Relations		Business and Personnel Services		Not Attributable		Department of Commerce Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Government contributions**	-	-	-	-	-	-	-	-	-	-	(174,729)	(159,598)	(174,729)	(159,598)
<b>NET EXPENDITURE/ (REVENUE) FOR THE YEAR</b>	<b>18,930</b>	<b>(29,696)</b>	<b>35,511</b>	<b>28,970</b>	<b>51,371</b>	<b>62,354</b>	<b>20,027</b>	<b>20,702</b>	<b>10,299</b>	<b>-</b>	<b>(174,729)</b>	<b>(159,598)</b>	<b>(38,591)</b>	<b>(77,268)</b>
<b>ADMINISTERED EXPENSES AND REVENUES</b>														
<b>Administered Expenses</b>														
Transfer payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicle lease fee	34,850	61,106	-	-	-	-	-	-	-	-	-	-	34,850	61,106
<b>Total Administered Expenses</b>	<b>34,850</b>	<b>61,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,850</b>	<b>61,106</b>
<b>Administered Revenues</b>														
Transfer receipts Consolidated Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes, fees and fines	-	-	-	-	54,896	54,132	83	83	-	-	-	-	54,979	54,215
Motor vehicle lease fee	31,147	58,903	-	-	-	-	-	-	-	-	-	-	31,147	58,903
Other	-	-	4,304	18,318	-	-	-	-	-	-	-	-	4,304	18,318
<b>Total Administered Revenues</b>	<b>31,147</b>	<b>58,903</b>	<b>4,304</b>	<b>18,318</b>	<b>54,896</b>	<b>54,132</b>	<b>83</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,430</b>	<b>131,436</b>
<b>Administered Revenues less Expenses</b>	<b>(3,703)</b>	<b>(2,203)</b>	<b>4,304</b>	<b>18,318</b>	<b>54,896</b>	<b>54,132</b>	<b>83</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,580</b>	<b>70,330</b>

\* The name and purpose of each program is summarised in Note 9.

\*\* Appropriations are made on an agency basis and not to individual programs. Consequently, Government contributions must be included in the "Not Attributable" column.

**Summary of Compliance with Financial Directives**

	2007				2006			
	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure \$'000	Capital Appropriation \$'000	Expenditure \$'000
<b>Original Budget Appropriation / Expenditure</b>								
• Appropriation Act	111,221	104,069	7,820	7,820	145,427	122,728	17,730	13,503
• S24 PF&AA - transfers of functions between departments	4,292	4,292	2,406	1,767	-	-	-	-
	<b>115,513</b>	<b>108,361</b>	<b>10,226</b>	<b>9,587</b>	<b>145,427</b>	<b>122,728</b>	<b>17,730</b>	<b>13,503</b>
<b>Other Appropriations / Expenditure</b>								
• Treasurer's Advance	-	-	-	-	5,367	5,367	4,900	4,900
• Section 27	46,968	46,968	-	-	-	-	-	-
• Section 22 - expenditure for certain works and services	4,500	4,500	-	-	-	-	-	-
• Reclassification of Recurrent allocation to Capital	-	-	-	-	(5,265)	-	5,265	5,265
• S28 of the Appropriation Act								
- transfer to another agency	2,696	2,696	-	-	-	-	-	-
- transfer from another agency	-	-	-	-	2,836	2,836	-	-
	<b>54,164</b>	<b>54,164</b>	-	-	<b>2,938</b>	<b>8,203</b>	<b>10,165</b>	<b>10,165</b>
<b>Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)</b>	<b>169,677</b>	<b>162,525</b>	<b>10,226</b>	<b>9,587</b>	<b>148,365</b>	<b>130,931</b>	<b>27,895</b>	<b>23,668</b>
<b>Amount drawn down against Appropriation</b>	-	<b>164,237</b>	-	<b>10,226</b>	-	<b>138,126</b>	-	<b>24,705</b>
<b>Liability to Consolidated Fund*</b>	-	<b>1,712</b>	-	<b>639</b>	-	<b>7,195</b>	-	<b>1,037</b>

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

\* The "Liability to Consolidated Fund" is the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund".

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Department of Commerce, as a reporting entity, comprises:

- The Office of Public Works and Services
- NSW Procurement
- Office of Fair Trading, and
- Office of Industrial Relations
- Business and Personnel Services.

The reporting entity also includes NSW Government Telecommunications Authority (TELCO) which is controlled by the Department. TELCO holds 57% of the shares of the Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) on behalf of the NSW Government. Eight NSW based universities hold the remaining 43% of shares.

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

The Department of Commerce is a NSW Government department. The Department is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

This consolidated financial report for the year ended 30 June 2007 has been authorised for issue by the Director-General on 19 October 2007.

(b) Basis of Preparation

The Department of Commerce's financial statements are a general purpose financial report which has been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Equivalents to International Financial Reporting Standards (AEIFRS));
- the requirements of the *Public Finance and Audit Act* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets for trading and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

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

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

(c) Statement of Compliance

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

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative. NSW Treasury has mandated not to early adopt any of the new Standards / Interpretations, as per Treasury Circular TC 07/07. Therefore, these new Standards / Interpretations have not been adopted by Commerce for the 2006/07 accounts. The following is a list of these standards:

- AASB 7 & AASB 2005-10 regarding financial instrument disclosures;
- AASB 8 & AASB 2007-3 regarding operating segments;
- AASB 101 (Oct 2006) regarding presentation of financial statements;
- AASB 123 (June 2007) and AASB 2007-6 regarding borrowing costs;
- AASB 1049 regarding the general government sector and GFS/GAAP convergence;
- AASB 2007-4 regarding Australian additions to and deletions from IFRSs;
- AASB 2007-5 regarding inventories held for distribution by not-for-profit entities;
- Interpretation 4 (Feb 2007) regarding determining whether an arrangement contains a lease;
- Interpretation 10 regarding interim financial reporting;
- Interpretation 11 & AASB 2007-1 regarding group and Treasury share transactions;
- Interpretation 12 & AASB 2007-2 regarding service concession arrangements;
- Interpretation 129 (Feb 2007) regarding service concession disclosures.

It is considered that the implementation of these Standards will not have any material impact on Commerce's financial results.

**(d) Administered Activities**

The Department of Commerce administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the Department's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Department's revenues, expenses, assets and liabilities, but are disclosed in the accompanying schedules as "Administered Revenues", "Administered Expenses", "Administered Assets" and "Administered Liabilities".

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.

**(e) Income Recognition**

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

**(i) Parliamentary Appropriations and Contributions**

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when the agency obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

The liability is disclosed in Note 20 as part of "Current/Non-Current Liabilities". The amount will be repaid and the liability will be extinguished next financial year. Any liability in respect of transfer payments is disclosed in Note 28 "Administered Assets and Liabilities".

**(ii) Sale of Goods and Services**

**(a) Sale of Goods**

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

**(b) Rendering of Services**

Revenue is recognised when the service is provided or by reference to the stage of completion.

Fee revenue earned from management and delivery of client funded building, engineering, maintenance and other service projects, has historically been recognised over the duration of the project, based on the progressive value of fee funded hours charged to the project by Commerce resources.

For all new client funded projects commenced after 1 April 2007, as supported by conversion to new SAP project management system, project fee revenues are recognised equivalent to the value of earned fees progressively invoiced to clients.

The amount of revenue recognised at project completion is the same under either model.

Client project disbursement costs such as printing, travel & minor consultancies, have previously been treated as 'pass through recoverable' costs, accounted for as Unbilled Work in Progress. From 1 April 2007, where costs of this nature are being incurred at Commerce risk against an agreed lump sum (fixed) fee, these amounts are being recognised as direct Commerce business costs matched against the lump sum fee income.

Advertising revenue has historically been recognised at gross value including amounts collected from client agencies for payment of advertising costs. These costs are 'pass through' costs and Commerce has no risks or benefits from the amounts collected and paid on behalf of clients. Therefore for the 2006/07 financial statements, the advertising revenue has been reported excluding the 'pass through' costs.

**(iii) Investment Revenue**

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

**(f) Employee Benefits and Other Provisions****(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs**

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

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

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

**(ii) Long Service Leave and Superannuation**

The Department's liabilities for long service leave and defined benefit superannuation for Office of Fair Trading, Office of Industrial Relations and Government Chief Information Office are assumed by the Crown Entity.

Long service leave and superannuation liabilities for the commercial activities of the Department are funded by the Department and are not assumed by the Crown Entity.

Long service leave is measured on a short-hand basis. The short-hand method is based on the remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

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

Long Service Leave and Superannuation Liabilities Assumed by the Crown Entity

The agency accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long Service Leave and Superannuation Liabilities Funded by the Department

The cost of employee entitlements for long service leave, relating to the commercial operations of the Department, is met by the payment of a contribution based on salaries and wages to the NSW Treasury. The payment is made into the "Non-Budget Sector Long Service Leave Pool Scheme" and leave taken is reimbursed from the Scheme.

(iii) **Other Provisions**

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

Any provisions for restructuring are recognised only when an agency has a detailed formal plan and the agency has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

**(g) Borrowing Costs**

Borrowing costs are recognised as expenses in the period in which they are incurred in accordance with Treasury's mandate to General Government Sector Agencies.

**(h) Insurance**

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

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

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- receivables and payables are stated with the amount of GST included except for Work in Progress, amounts due to contractors for work in progress and advance billings.

**(j) Acquisitions of Assets**

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

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition (see also assets transferred as a result of an administrative restructure - Note 1(ab)).

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

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

**(k) Capitalisation Thresholds**

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

**(l) Revaluation of Property, Plant and Equipment**

Physical non-current assets are valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 05-03). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

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

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

The Department's non-current assets are revalued with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Land and buildings are revalued every three years. The last revaluation was completed by State Valuation Office in June 2005 and the revised values are included in the 2006/07 financial statements.

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

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation is separately restated.

For other assets, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus / deficit, the increment is recognised immediately as revenue in the surplus / deficit.

Revaluation decrements are recognised immediately as expenses in the surplus / deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

**(m) Impairment of Property, Plant and Equipment**

As a not-for-profit entity with no cash generating units, the Agency 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.

**(n) Depreciation of Property, Plant and Equipment**

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

All material separately identifiable component assets are recognised and depreciated over their shorter useful lives, including those components that in effect represent major periodic maintenance. Land is not a depreciable asset.

The depreciation rates used for 2006/07 for each class of assets are:

Buildings	2.5%
Motor vehicles	8.0% to 33.3%
Government Radio Network	10.0%
Mainframe computers	20.0%
Major computer systems	12.5%
Computer equipment	33.3%
Furniture and fittings	10.0% to 20.0%
Office equipment	20.0% to 33.3%
Other plant and equipment	4.0% to 33.3%

**(o) Major Inspection Costs**

The labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

**(p) Restoration Costs**

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

**(q) Maintenance**

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

**(r) Leased Assets**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised as its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

**(s) Intangible Assets**

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

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

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the agency's intangible assets, the assets are carried at cost less any accumulated amortisation.

The agency's intangible assets (computer software) are amortised using the straight line method over a period of 4 to 8 years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, the agency is effectively exempted from impairment testing (refer paragraph (m)).

**(t) Loans and Receivables**

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

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

**(u) Inventories**

Inventories held for distribution are stated at the lower of cost and current replacement cost. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost or "first in first out" method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement costs is the cost the agency would incur to acquire the asset on the reporting date. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(v) Investments**

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The agency determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

*Fair value through profit or loss* - The agency subsequently measures investments classified as "held for trading" or designated "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the Operating Statement.

*Held to maturity investments* - Non-derivative financial assets with fixed or determinable payments and fixed maturity that the agency has the positive intention and ability to hold to maturity are classified as "held to maturity". These investments are measured at amortised cost using the effective interest method. Changes are recognised in the Operating Statement when impaired, derecognised or through the amortisation process.

*Available for sale investments* - Any residual investments that do not fall into any other category are accounted for as available for sale investments and measured at fair value directly in equity until disposed or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the Operating Statement. However, interest calculated using the effective interest method and dividends are recognised in the Operating Statement.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date ie the date the entity commits itself to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Balance Sheet date.

**(w) Impairment of Financial Assets**

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

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

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Operating Statement, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the Operating Statement.

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

**(x) Derecognition of Financial Assets and Financial Liabilities**

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

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

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

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

**(y) Non-Current Assets (or disposal groups) Held For Sale**

The agency has certain non-current assets (or disposal groups) classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

**(z) Trust Funds**

The Department receives monies in a trustee capacity for various trusts as set out in Note 26. As the agency performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the agency's own objectives, these funds are not recognised in the financial statements.

**(aa) Other Assets**

Other assets are recognised on a cost basis.

**(ab) 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 as a contribution by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Interpretation 1038 "Contributions by Owners Made to Wholly Owned Public Sector Entities".

Transfers arising from an administrative restructure between Government departments are recognised at the amount at which the asset was recognised by the transferor Government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

**(ac) Payables**

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

**(ad) Borrowings**

Loans are not held for trading or designed at fair value through profit or loss and are recognised at amortised cost using the effective interest method. Gains or losses are recognised in the Operating Statement on derecognition.

**(ae) Transfers to NSW Treasury**

As part of the 2006/07 budget process, the Department's dividend and income tax equivalent payment models were reviewed by NSW Treasury. As Commerce is a budget dependant entity, it was considered that the income tax equivalent and dividend models were not appropriate for Commerce. Therefore it was decided to discontinue the previous models for income tax equivalent and dividend payment and replace it with a model to transfer an agreed amount to NSW Treasury for each financial year.

A transfer of \$8.8M for the current financial year has been agreed with NSW Treasury as part of the annual budget process.

**(af) Work in Progress**

Australian Accounting Standard AASB 111 *Construction Contracts* requires the amount due from customers for contract work to be disclosed as an asset and the amount due to customers for contract work as a liability. Accordingly, amount due from customers is shown as Work in Progress in Current Assets and amount due to customers is shown as Advance Claims in Current Liabilities.

**(ag) Budgeted Amounts**

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, S21A, S24 and/or S26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts ie per the audited financial statements (rather than carried forward estimates).

**(ah) Comparative Information**

Where necessary, previous year figures have been reclassified to facilitate comparison.

**2. EXPENSES EXCLUDING LOSSES****(a) Employee Related Expenses**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including recreation leave)	282,093	262,534	279,923	260,502
Superannuation - defined benefit plans	5,158	4,276	4,964	4,276
Superannuation - defined contribution plans	13,569	10,715	13,569	10,530
Long service leave	8,780	8,722	8,780	8,722
Workers compensation insurance	1,257	1,695	1,257	1,695
Payroll tax and fringe benefits tax	16,980	15,649	16,868	15,541
Voluntary redundancy	2,341	5,387	2,341	5,387
	<b>330,178</b>	<b>308,978</b>	<b>327,702</b>	<b>306,653</b>

**(b) Other Operating Expenses**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Auditor's remuneration				
- audit of the financial reports	550	494	525	470
Cost of sales	12,363	16,824	12,363	16,824
Government Radio Network operating expenses	12,272	15,265	12,272	15,265
Advertising	1,803	2,460	1,803	2,460
Bad and doubtful debts	2,589	3,726	2,589	3,726
Operating lease rental expense - minimum lease payments	25,202	25,919	25,149	25,691
Maintenance	10,865	8,564	10,653	8,564
Insurance	2,367	3,711	2,367	3,711
Fees and charges	20,385	15,608	20,166	15,498
Postage and telephone	6,869	8,323	6,562	8,025
Printing, stationery and stores	4,118	3,354	4,118	3,354
Consultants	257	447	205	447
Books and periodicals	1,108	847	1,108	847
Travel and motor vehicle expenses	5,646	4,304	5,646	4,304
Computer expenses	24,430	19,104	24,430	18,729
Minor equipment	4,316	4,595	4,316	4,595
Training	3,879	1,463	3,879	1,463
Other	7,405	10,166	5,250	7,862
	<b>146,424</b>	<b>145,174</b>	<b>143,401</b>	<b>141,835</b>
<b>Reconciliation</b>				
Maintenance expense, as above	10,865	8,564	10,653	8,564
Maintenance related employee expenses included in Note 2(a)*	-	-	-	-
Total maintenance expenses included in Notes 2(a) and 2(b)	<b>10,865</b>	<b>8,564</b>	<b>10,653</b>	<b>8,564</b>

\* Maintenance related services are generally provided by external service providers and therefore maintenance related employee expenses are minimal.

**(c) Depreciation and Amortisation Expense**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Depreciation				
- Buildings	483	463	483	463
- Plant and equipment	145,567	106,972	144,967	106,390
	<b>146,050</b>	<b>107,435</b>	<b>145,450</b>	<b>106,853</b>
Amortisation				
- Leasehold Improvements	2,085	860	2,085	860
- Intangible Assets	10,138	13,364	10,138	13,364
	<b>158,273</b>	<b>121,659</b>	<b>157,673</b>	<b>121,077</b>

**(d) Grants and Subsidies**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Information and Community Technology Grant	11,156	13,672	11,156	13,672
Subsidies to Fair Trading Admin Corporation	8,400	10,500	8,400	10,500
Tenancy Advice and Advocacy Program	3,499	3,053	3,499	3,053
Cleaning Service Incentive Payment	20,003	-	20,003	-
Other	7,938	2,271	7,938	2,271
	<b>50,996</b>	<b>29,496</b>	<b>50,996</b>	<b>29,496</b>

**(e) Finance Costs**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Interest on borrowings	30,887	24,393	30,876	24,379
	<b>30,887</b>	<b>24,393</b>	<b>30,876</b>	<b>24,379</b>

**(f) Other Expenses**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Decrease in prepaid superannuation	6,530	-	6,530	-
Other	3,999	1,601	3,999	1,601
	<b>10,529</b>	<b>1,601</b>	<b>10,529</b>	<b>1,601</b>

**3. REVENUE****(a) Sale of Goods and Services**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Rendering of services				
- Project and asset management services	165,779	177,284	165,779	177,284
- Supply Fees	47,351	45,595	47,351	45,595
- Business and personnel services	35,378	22,979	35,378	22,979
- Advertising	4,080	4,393	4,080	4,393
- Motor vehicle leasing	193,840	139,300	193,840	139,300
- Administrative assistance	28,183	25,116	28,183	25,116
- Other services	39,816	32,232	34,174	27,308
	<b>514,427</b>	<b>446,899</b>	<b>508,785</b>	<b>441,975</b>

**(b) Investment Revenue**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Interest on investments	11,156	9,971	11,156	9,890
Interest on bank accounts	3,586	2,605	3,501	2,605
	<b>14,742</b>	<b>12,576</b>	<b>14,657</b>	<b>12,495</b>

**(c) Retained Taxes, Fees and Fines**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Statutory interest	41,428	30,356	41,428	30,356
Building Licensing Fees	8,294	8,076	8,294	8,076
Owner Builder Permit Fees	1,314	1,486	1,314	1,486
Motor Dealers Compensation Fees	1,481	641	1,481	641
Fines / Penalties	153	190	153	190
Other Fees	1,790	3,201	1,790	3,201
	<b>54,460</b>	<b>43,950</b>	<b>54,460</b>	<b>43,950</b>

**(d) Grants and Contributions**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Contribution from Rental Bond Board*	9,152	8,638	9,152	8,638
Other	4,594	1,526	3,975	545
	<b>13,746</b>	<b>10,164</b>	<b>13,127</b>	<b>9,183</b>

\* The cost of running the residential tenancy function of the Consumer Trader and Tenancy Tribunal is split 50/50 by the Rental Bond Board and the Property Services Statutory Interest Fund. This grant reflects the Rental Bond Board's contribution to the cost of administering this function.

**(e) Other Revenue**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Increase in prepaid superannuation (refer Note 13)	-	52,080	-	52,080
Discount received	3	10	3	10
Other	48	280	48	264
	<b>51</b>	<b>52,370</b>	<b>51</b>	<b>52,354</b>

**4. GAIN/(LOSS) ON DISPOSAL**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Gain/(loss) on disposal of property, plant and equipment</b>				
Proceeds from disposal	127,612	105,378	127,612	105,378
Written down value of assets disposed	(133,653)	(122,624)	(133,653)	(122,624)
<b>Net gain/(loss) on disposal of property, plant and equipment</b>	<b>(6,041)</b>	<b>(17,246)</b>	<b>(6,041)</b>	<b>(17,246)</b>

**5. APPROPRIATIONS**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurrent appropriations</b>				
Total recurrent draw-downs from Treasury (per Summary of Compliance)	161,541	138,126	161,541	138,126
Less: Liability to Consolidated Fund (per Summary of Compliance)	1,712	7,195	1,712	7,195
	<b>159,829</b>	<b>130,931</b>	<b>159,829</b>	<b>130,931</b>
Comprising:				
Recurrent appropriations (per Operating Statement)	159,829	130,931	159,829	130,931
Transfer payments	2,696	-	2,696	-
	<b>162,525</b>	<b>130,931</b>	<b>162,525</b>	<b>130,931</b>
<b>Capital appropriations</b>				
Total capital draw-downs from Treasury (per Summary of Compliance)	10,226	24,705	10,226	24,705
Less: Liability to Consolidated Fund (per Summary of Compliance)	639	1,037	639	1,037
	<b>9,587</b>	<b>23,668</b>	<b>9,587</b>	<b>23,668</b>
Comprising:				
Capital appropriations (per Operating Statement)	9,587	23,668	9,587	23,668
	<b>9,587</b>	<b>23,668</b>	<b>9,587</b>	<b>23,668</b>

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

The following liabilities and/or expenses have been assumed by the Crown Entity or other Government agencies:

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Superannuation	2,769	2,290	2,769	2,290
Long service leave	2,398	2,571	2,398	2,571
Payroll tax	146	138	146	138
	<b>5,313</b>	<b>4,999</b>	<b>5,313</b>	<b>4,999</b>

**7. PROGRAMS / ACTIVITIES OF THE AGENCY****1. Office of Fair Trading**

Review of fair trading legislation, provision of information and other services to consumers and traders, compliance enforcement and impartial dispute resolution through an independent Tribunal.

Objectives: To ensure a fair marketplace for consumers and traders.

**2. Office of Industrial Relations**

Provision of industrial relations information and policy advice. Inspection and regulation of NSW workplaces. Hearing and adjudication of appeals against promotion and disciplinary decisions in the public sector.

Objective(s): To ensure industrial relation laws in New South Wales are understood and complied with, and administration of the public sector appeals process.

**3. NSW Procurement**

In consultation with government and commercial stakeholders, support NSW Treasury develop and implement NSW Government Procurement Policy; provide operational support for the State Contracts Control Board; deliver electronic procurement tools and solutions; provide government advertising and government publication services; develop and implement the NSW Government Strategic Executive ICT Plan; manage the operation of key government ICT infrastructure and coordinate emergency services communication.

Objective(s): To assist NSW Government agencies in delivering improved services to the community through better solutions to managing their costs and risks.

**4. Office of Public Works and Services**

Help government agencies to develop and maintain public infrastructure in the planning, design and delivery of building, engineering and information communications technology assets. Manage projects and programs, resolve disputes, find sustainable solutions to the problems of capturing, treating and distributing water, manage motor vehicle fleets and office corporate services. Help mitigate the consequences of natural disasters and possible terrorism.

Objective(s): Provide commercial services to government agencies to help them maximise the value, minimise the cost and manage the risks in the services they provide to the community.

**5. Business and Personnel Services**

Business and personnel services are provided to various agencies including State Records Authority; NSW BusinessLink Pty Limited for Department of Ageing, Disability and Home Care, Department of Housing, Department of Community Services; and Natural Resources Corporate Services for the Department of Water and Energy, Department of Planning, the Growth Centres Commission and 13 Catchment Management Authorities.

Objective(s): To provide business and personnel services to selected agencies as part of the State's WorkChoices insulation legislation as well as promote efficiencies in the provision of corporate services.

**8. TRANSFER OF PROGRAMS**

The following transfer of programs occurred during the current financial year as a result of administrative restructures:

**1. State Property Authority**

The State Property Authority was established on 1 September 2006. With the formation of the State Property Authority, a majority of functions of the former State Property branch of Commerce were transferred to the new Authority. Project management functions of the former State Property branch were retained by Commerce. Therefore the Department's 2006/07 financial statements include two months of transactions relating to the transferred functions and twelve months of transactions relating to the functions retained by Commerce.

**2. Property Valuation Services**

The Property Valuation Services provided by the Department of Commerce were transferred to the Department of Lands with effect from 1 March 2007. Therefore the Department's financial statements include only eight months of transactions relating to Property Valuation Services.

**3. State Records Authority**

The employees of the State Records Authority were transferred to the Department of Commerce on 1 November 2006 and therefore Commerce's financial statements include employee related transactions for eight months and employee provisions as at 30 June 2007.

Following the transfer of employees to Commerce, employee liabilities totalling \$2.03M was transferred into the Department of Commerce. A corresponding entry for \$2.03M recoverable from State Records Authority was also recognised in Commerce's accounts resulting in a nil impact on net assets.

**4. Shared Services of the Former Department of Natural Resources**

The shared services functions of the former Department of Natural Resources were transferred to the Department of Commerce with effect from 30 April 2007. Therefore the Department of Commerce operating statement includes two months transactions of the transferred functions. A summary of full year revenue and expenses of the program is as follows:

	<b>01.07.06 to 30.04.07 \$'000</b>	<b>01.05.07 to 30.06.07 \$'000</b>	<b>2006/07 \$'000</b>
<b>Expenses excluding losses</b>			
Operating Expenses			
Employee related	15,913	3,634	19,547
Other operating expenses	17,651	5,538	23,189
Depreciation and amortisation	6,217	1,081	7,298
<b>Total Expenses excluding losses</b>	<b>39,781</b>	<b>10,253</b>	<b>50,034</b>
Less:			
<b>Revenue</b>			
Sale of goods and services	3,858	18	3,876
Investment income	110	11	121
<b>Total Revenue</b>	<b>3,968</b>	<b>29</b>	<b>3,997</b>
<b>Gain/(loss) on disposal</b>	<b>588</b>	<b>(75)</b>	<b>513</b>
<b>Net Cost of Services</b>	<b>35,225</b>	<b>10,299</b>	<b>45,524</b>

**Note:** Comparative figures for previous year are not available as these functions were not reported separately in 2005/06.

Following the transfer of functions, assets totalling \$93.26M and liabilities totalling \$15.85M were transferred into the Department of Commerce resulting in a net increase of \$77.41M in net assets.

**5. Office of BusinessLink**

The former Department of BusinessLink was abolished and the Office of BusinessLink was established as an office within the Department of Commerce with effect from 30 April 2007. Therefore the Department of Commerce operating statement includes two months transactions of the Office. A summary of full year revenue and expenses of the program is as follows:

	<b>01.07.06 to 30.04.07 \$'000</b>	<b>01.05.07 to 30.06.07 \$'000</b>	<b>2006/07 \$'000</b>	<b>2005/06 \$'000</b>
<b>Expenses</b>				
Operating Expenses				
Employee related	37,926	6,149	44,075	40,945
Other operating expenses	23	32	55	89
<b>Total Expenses excluding losses</b>	<b>37,949</b>	<b>6,181</b>	<b>44,130</b>	<b>41,034</b>
Less:				
<b>Revenue</b>				
Sale of goods and services	35,171	5,592	40,763	37,728
Investment income	99	40	139	78
Grants and contributions	2,679	549	3,228	3,228
<b>Total Revenue</b>	<b>37,949</b>	<b>6,181</b>	<b>44,130</b>	<b>41,034</b>

On 1 May 2007 employee liabilities totalling \$17.1M and assets totalling \$21.4M were transferred to the Department of Commerce resulting in an increase of \$4.3M in net assets.

**9. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007 \$'000</b>	<b>2006 \$'000</b>	<b>2007 \$'000</b>	<b>2006 \$'000</b>
Cash at bank and on hand	108,315	63,373	106,808	61,555
Deposit with T-Corp	-	238,278	-	238,278
Hour Glass Cash Facility	259,023	561	259,023	561
	<b>367,338</b>	<b>302,212</b>	<b>365,831</b>	<b>300,394</b>

For the purposes of the Cash Flow Statement, cash includes cash on hand, cash at bank, deposit with T-Corp, Cash Facility and Cash Plus Facility.

Cash assets recognised in the Balance Sheet are reconciled to cash at the end of the financial year as shown in the Cash Flow Statement as follows:

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007 \$'000</b>	<b>2006 \$'000</b>	<b>2007 \$'000</b>	<b>2006 \$'000</b>
Cash (per Balance Sheet)	367,338	302,212	365,831	300,394
Closing cash and cash equivalents (per Cash Flow Statement)	<b>367,338</b>	<b>302,212</b>	<b>365,831</b>	<b>300,394</b>

**10. CURRENT / NON-CURRENT ASSETS - RECEIVABLES**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Sale of goods and services	113,740	119,223	113,073	118,561
Less: Allowance for impairment	2,928	2,815	2,928	2,815
	110,812	116,408	110,145	115,746
Retained taxes, fees and fines	11,770	10,078	11,770	10,078
Less: Allowance for impairment	6,955	7,636	6,955	7,636
	4,815	2,442	4,815	2,442
Accrued bank interest	2,200	1,325	2,200	1,325
Administrative assistance due	-	-	-	-
Long service leave reimbursable by the Crown Entity	59,290	62,530	59,290	62,530
Work in Progress *	36,099	18,270	36,099	18,270
Employee provisions recoverable from other agencies	17,160	-	17,160	-
Other	18,262	1,323	18,262	1,323
	<b>248,638</b>	<b>202,298</b>	<b>247,971</b>	<b>201,636</b>

**\* Work in Progress**

The NSW Department of Commerce acts as principal in the contract for construction works undertaken for clients. The role of the Department includes the payment of contractors on the clients' behalf.

Work in Progress represents the cost of all works in progress less progress billings to clients and is net of a provision for uncollectable work in progress of \$11.7M (\$12.5M in 2006). At 30 June 2007, work in the ground was valued at \$98.9M (\$119.6M in 2006) and this accrual is reflected in current liabilities [refer Note 17].

The contract conditions allow the Department to require performance bonds from the contractors in the form of cash deposit, unconditional bank guarantee or insurance bonds to cover the Department against losses that may arise from uncompleted or faulty jobs.

Australian Accounting Standard AASB111 *Construction Contracts* requires the amount due from customers for contract work to be disclosed as an asset (Work in Progress) and the amount due to customers for contract work as a liability (Advance Claim). The Standard also requires disclosure of the aggregate of contract costs and aggregate of consideration received and receivable as progress billings. Gross Work in Progress and billings to date are as follows:

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Gross work in progress as at 30 June	1,268,113	3,468,177	1,268,113	3,468,177
Billings to date	(1,220,364)	(3,437,349)	(1,220,36)	(3,437,349)
Net work in progress	47,749	30,828	47,749	30,828
Provision for uncollectable work in progress	(11,650)	(12,558)	(11,650)	(12,558)
Work in progress as per Balance Sheet	<b>36,099</b>	<b>18,270</b>	<b>36,099</b>	<b>18,270</b>

Under the security of payment legislation, General Conditions of Contract AS 2124 and C21 contracts, there are specific conditions relating to the payment of contractor claims for work completed. Penalties for failure to adhere to these conditions include payment of interest. To ensure contractual payment obligations are met, agreements have been made for major clients to pay according to a monthly cash flow determined on the basis of client funds being lodged in Commerce's bank account to facilitate the payment of contractors claims. The Standard requires advances received from clients to be disclosed as a liability. Cash received against advance claims is estimated to be \$39M as at 30 June 2007 (\$23M as at 30 June 2006).

Gross work in progress and billings to date as at 30 June 2007 reduced significantly compared to previous year as a result of a decision to exclude all projects that are commissioned or operational.

Advance claims shown in the Balance Sheet as a current liability are as follows:

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Advance Claims as per Balance Sheet (refer Note 17)	64,261	46,283	64,261	46,283

**11. CURRENT / NON-CURRENT ASSETS - INVENTORIES**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Finished goods - at cost	638	638	638	638
	<b>638</b>	<b>638</b>	<b>638</b>	<b>638</b>
<b>Non-current</b>				
Finished goods - at cost	5,529	5,805	5,529	5,805
	<b>5,529</b>	<b>5,805</b>	<b>5,529</b>	<b>5,805</b>

**12. CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
T-Corp Hour-Glass investment facilities	24,855	27,670	24,855	27,670
	<b>24,855</b>	<b>27,670</b>	<b>24,855</b>	<b>27,670</b>

**13. CURRENT ASSETS / OTHER**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Prepaid superannuation	50,857	58,106	50,857	58,106
Other prepayments	11,436	6,622	11,408	6,622
Other	86	108	86	94
	<b>62,379</b>	<b>64,836</b>	<b>62,351</b>	<b>64,822</b>

**Prepaid Superannuation****Accounting Policy**

Superannuation liabilities relating to the commercial operations are fully funded by the Department and actuarial gains and losses are recognised in the profit or loss in the year they occur.

**Fund Information**

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Superannuation Scheme (SSS);
- State Authorities Superannuation Scheme (SASS);
- State Authorities Non Contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes - at least a component of the final benefit is deemed from a multiple of member salary and year of membership. All the schemes are closed to new members.

**Reconciliation of the Present Value of the Defined Benefit Obligations**

A reconciliation of the present value of the defined benefit obligation for the financial year to 30 June 2007 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Present value of defined benefit obligations at beginning of the year	97,487	26,812	642,186	766,485
Current service cost	3,010	1,531	4,232	8,773
Interest cost	5,581	1,509	37,155	44,245
Contributions by fund participants	1,641	0	4,592	6,233
Actuarial (gains)/losses	(3,482)	(1,391)	(39,634)	(44,507)
Benefits paid	(4,339)	(2,984)	(34,272)	(41,595)
<b>Present value of defined benefit obligations at end of the year</b>	<b>99,898</b>	<b>25,477</b>	<b>614,259</b>	<b>739,634</b>

Comparative information as at 30 June 2006 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Present value of defined benefit obligations at beginning of the year	98,824	29,110	703,504	831,438
Current service cost	3,503	1,669	6,315	11,487
Interest cost	5,741	1,446	37,971	45,158
Contributions by fund participants	1,728	0	4,693	6,421
Actuarial (gains)/losses	(3,479)	(1,859)	(88,590)	(93,928)
Benefits paid	(8,830)	(3,554)	(21,707)	(34,091)
<b>Present value of defined benefit obligations at end of the year</b>	<b>97,487</b>	<b>26,812</b>	<b>642,186</b>	<b>766,485</b>

**Reconciliation of the Fair Value of Fund Assets**

A reconciliation of the fair value of fund assets for the financial year to 30 June 2007 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Fair value of fund assets at beginning of the year	116,508	37,905	784,322	938,735
Fund Assets transferred from BusinessLink	19,040	5,907	41,357	66,304
Expected return on fund assets	8,640	2,789	58,651	70,080
Actuarial gains/(losses)	6,726	2,304	44,055	53,085
Employer contributions	27	0	199	226
Contributions by fund participants	1,640	0	4,592	6,232
Benefits paid	(4,339)	(2,984)	(34,272)	(41,595)
<b>Fair value of fund assets at end of the year</b>	<b>148,242</b>	<b>45,921</b>	<b>898,904</b>	<b>1,093,067</b>

Comparative information as at 30 June 2006 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Fair value of fund assets at beginning of the year	103,073	31,293	703,097	837,463
Expected return on fund assets	7,584	2,277	52,408	62,269
Actuarial gains/(losses)	7,348	2,681	56,340	66,369
Employer contributions	5,605	5,208	(10,509)	304
Contributions by fund participants	1,728	0	4,693	6,421
Benefits paid	(8,830)	(3,554)	(21,707)	(34,091)
<b>Fair value of fund assets at end of the year</b>	<b>116,508</b>	<b>37,905</b>	<b>784,322</b>	<b>938,735</b>

### Reconciliation of Assets and Liabilities

A summary of assets and liabilities recognised in the Balance Sheet as at 30 June 2007 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Present value of defined benefit obligations	99,898	25,477	614,259	739,634
Fair value of fund assets	(129,202)	(40,014)	(857,547)	(1,026,763)
Sub Total	(29,304)	(14,537)	(243,288)	(287,129)
BusinessLink balance transferred	(2,205)	(1,409)	(1,715)	(5,329)
Adjustment for limitation on net asset	24,657	12,232	204,712	241,601
Net (asset)/liability	(6,852)	(3,714)	(40,291)	(50,857)

Comparative information as at 30 June 2006 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Present value of defined benefit obligations	97,487	26,812	642,186	766,485
Fair value of fund assets	(116,508)	(37,904)	(784,321)	(938,733)
Sub Total	(19,021)	(11,092)	(142,135)	(172,248)
BusinessLink balance transferred	(1,457)	(745)	(4,521)	2,319
State Property Authority balance transferred	4	80	(1,684)	1,600
Adjustment for limitation on net asset	12,604	7,350	94,188	114,142
Net (asset)/liability	(7,870)	(4,407)	(41,742)	(57,387)

### Expense Recognised in Income Statement

Total expense recognised in Income Statement for the year ended 30 June 2007 is summarised below:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Current service cost	3,011	1,531	4,232	8,774
Interest cost	5,581	1,509	37,155	44,245
Expected return on fund assets (net of expenses)	(8,640)	(2,789)	(58,651)	(70,080)
Actuarial losses/(gains) recognised in year	(10,208)	(3,695)	(83,688)	(97,591)
Movement in adjustment for limitation on net asset	12,053	4,881	110,523	127,457
Liability transferred to State Property Authority	(4)	(80)	1,684	1,600
Net gain - BusinessLink balances	(748)	(664)	(6,236)	(7,648)
Employer Contributions	(27)	-	(200)	(227)
Expense/(income) recognised	1,018	693	4,819	6,530

Comparative information as at 30 June 2006 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Current service cost	3,503	1,669	6,315	11,487
Interest on obligation	5,740	1,445	37,970	45,155
Expected return on plan assets	(7,583)	(2,277)	(52,408)	(62,268)
Net actuarial losses/(gains) recognised in year	(10,827)	(4,539)	(144,928)	(160,294)
Movement in adjustment for limitation on net asset	12,604	7,350	94,188	114,142
Employer Contributions	(5,605)	(5,207)	10,510	(302)
Expense/(income) recognised	(2,168)	(1,559)	(48,353)	(52,080)

**Fund Assets**

The percentage invested in each asset class at the Balance Sheet date:

	30 June 2007	30 June 2006
Australian equities	33.6%	37.4%
Overseas equities	26.5%	27.9%
Australian fixed interest securities	6.8%	9.9%
Overseas fixed interest securities	6.4%	6.8%
Property	10.1%	8.6%
Cash	9.8%	5.0%
Other	6.8%	4.4%

**Fair Value of Fund Assets**

All Fund assets are invested by STC at arm's length through independent fund managers.

**Expected Rate of Return on Assets**

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

**Actual Return on Fund Assets**

A summary of actual return on fund assets for the year ended 30 June 2007 is provided below:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actual return on plan assets	16,459	5,093	110,459	132,011

Comparative figures for the year ended 30 June 2006 are as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actual return on plan assets	15,739	4,958	109,389	130,086

**Valuation Method and Principal Actuarial Assumptions at the Balance Sheet Date**

Details of valuation method and principal actuarial assumptions as at the reporting date are as follows:

**a) Valuation Method**

The Projected Unit Credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

**b) Economic Assumptions**

	30 June 2007	30 June 2006
Salary increase rate (excluding promotional increases)	4% per annum to June 2008; 3.5% per annum thereafter	4.0% per annum to June 2008; 3.5% per annum thereafter
Rate of CPI increase	2.5% per annum	2.5% per annum
Expected return on assets	7.6% per annum	7.6% per annum
Discount rate	6.4% per annum	5.9% per annum

**c) Demographic Assumptions**

Assumptions with regard to rates of mortality, resignation, retirement and other demographics are those used for the 2006 triennial valuation.

**Funding Arrangements for Employer Contributions****a) Surplus/(Deficit)**

The following is summary of the 30 June 2007 financial position of the Fund calculated in accordance with AAS 25 - Financial Reporting by Superannuation Plans.

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Accrued benefit	98,408	25,242	554,351	678,001
Net market value of Fund assets	(129,202)	(40,014)	(857,547)	1,026,763
Net (surplus)/deficit	(30,794)	(14,772)	(303,196)	(348,762)

Comparative figures as at 30 June 2006 are as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Accrued benefit	93,182	25,518	544,027	662,727
Net market value of Fund assets	(116,508)	(37,904)	(784,321)	(938,733)
Net (surplus)/deficit	(23,326)	(12,386)	(240,294)	(276,006)

**b) Contributions**

During 2000/01, the SAS Trustees Corporation granted the former DPWS a "superannuation contribution holiday" in respect of contributions to the above schemes. The contribution holiday was extended for the following financial years and continued in 2006/07 for Office of Public Works and Services and NSW Procurement, the commercial groups of the Department.

**c) Funding Method**

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

**d) Economic Assumptions**

The economic assumptions adopted for the current actuarial review of the Fund are:

<b>Weighted Average Assumptions</b>	<b>30 June 2007</b>	<b>30 June 2006</b>
Expected rate of return on Fund assets backing current liabilities	7.7% per annum	7.7% per annum
Expected rate of return on Fund assets backing other liabilities	7.0% per annum	7.0% per annum
Expected salary increase rate	4.0% per annum	4.0% per annum
Expected rate of CPI increase	2.5% per annum	2.5% per annum

**Nature of Asset/Liability**

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation.

**14. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT****As at 30 June 2007**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Land and Buildings</b>				
At fair value	89,846	25,983	89,846	25,983
Less: Accumulated depreciation and impairment	3,105	907	3,105	907
	<b>86,741</b>	<b>25,076</b>	<b>86,741</b>	<b>25,076</b>

**Plant and Equipment**

At fair value	871,515	715,618	865,440	710,084
Less: Accumulated depreciation and impairment	257,950	189,040	253,170	184,878
	<b>613,565</b>	<b>526,578</b>	<b>612,270</b>	<b>525,206</b>

**As at 30 June 2007**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Leasehold Improvements</b>				
At fair value	16,472	15,503	16,472	15,503
Less: Accumulated depreciation and impairment	8,049	6,047	8,049	6,047
	<b>8,423</b>	<b>9,456</b>	<b>8,423</b>	<b>9,456</b>

**Total Property, Plant and Equipment at Net Carrying Amount**

	<b>708,728</b>	<b>561,110</b>	<b>707,434</b>	<b>559,738</b>
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**As at 30 June 2006**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Land and Buildings</b>				
At fair value	25,983	25,983	25,983	25,983
Less: Accumulated depreciation and impairment	907	443	907	443
	<b>25,076</b>	<b>25,540</b>	<b>25,076</b>	<b>25,540</b>

**Plant and Equipment**

At fair value	715,618	660,087	710,084	654,801
Less: Accumulated depreciation and impairment	189,040	192,110	184,878	188,512
	<b>526,578</b>	<b>467,977</b>	<b>525,206</b>	<b>466,289</b>

**Leasehold Improvements**

At fair value	15,503	4,966	15,503	4,966
Less: Accumulated depreciation and impairment	6,047	3,878	6,047	3,878
	<b>9,456</b>	<b>1,088</b>	<b>9,456</b>	<b>1,088</b>

**Total Property, Plant and Equipment at Net Carrying Amount**

	<b>561,110</b>	<b>494,605</b>	<b>559,738</b>	<b>492,917</b>
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**Reconciliation - Consolidated Entity**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous reporting period is set out below:

	<b>Land and Buildings \$'000</b>	<b>Plant and Equipment \$'000</b>	<b>Leasehold Improvements \$'000</b>	<b>Total \$'000</b>
<b>Year Ended 30 June 2007 - Consolidated Entity</b>				
Carrying amount at start of year	25,076	526,578	9,456	561,110
Assets transferred - administrative restructure	61,828	18,086	79	79,993
Additions	-	338,438	1,315	339,753
Disposals	(1,199)	(132,097)	(356)	(133,652)
Depreciation expense	(483)	(145,290)	(2,109)	(147,882)
Other reclassifications	1,519	7,850	38	9,407
<b>Carrying amount at end of year</b>	<b>86,741</b>	<b>613,565</b>	<b>8,423</b>	<b>708,729</b>
<b>Year Ended 30 June 2006 - Consolidated Entity</b>				
Carrying amount at start of year	25,540	467,977	1,088	494,605
Additions	-	308,548	6,599	315,147
Disposals	-	(122,391)	(4)	(122,395)
Depreciation expense	(464)	(106,972)	(860)	(108,296)
Other reclassifications	-	(20,584)	2,633	(17,951)
<b>Carrying amount at end of year</b>	<b>25,076</b>	<b>526,578</b>	<b>9,456</b>	<b>561,110</b>

**Reconciliation - Parent Entity**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous reporting period is set out below:

	<b>Land and Buildings \$'000</b>	<b>Plant and Equipment \$'000</b>	<b>Leasehold Improvements \$'000</b>	<b>Total \$'000</b>
<b>Year Ended 30 June 2007 - Parent Entity</b>				
Carrying amount at start of year	25,076	525,206	9,456	559,738
Assets transferred - administrative restructure	61,828	18,086	79	79,993
Additions	-	337,915	1,315	339,230
Disposals	(1,199)	(132,097)	(356)	(133,652)
Depreciation expense	(483)	(144,690)	(2,109)	(147,282)
Other reclassifications	1,519	7,850	38	9,407
<b>Carrying amount at end of year</b>	<b>86,741</b>	<b>612,270</b>	<b>8,423</b>	<b>707,434</b>
<b>Year Ended 30 June 2006 - Parent Entity</b>				
Carrying amount at start of year	25,540	466,289	1,088	492,917
Additions	-	308,281	6,599	314,880
Disposals	-	(122,391)	(4)	(122,395)
Depreciation expense	(464)	(106,389)	(860)	(107,713)
Other reclassifications	-	(20,584)	2,633	(17,951)
<b>Carrying amount at end of year</b>	<b>25,076</b>	<b>525,206</b>	<b>9,456</b>	<b>559,738</b>

**15. INTANGIBLE ASSETS**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Gross carrying amount	100,870	117,877	100,870	117,877
Accumulated amortisation and impairment	(48,685)	(59,157)	(48,685)	(59,157)
<b>Net carrying amount</b>	<b>52,185</b>	<b>58,720</b>	<b>52,185</b>	<b>58,720</b>

**Reconciliation - Consolidated Entity**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below:

<b>Year Ended 30 June</b>	<b>Software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2007 - Consolidated Entity</b>		
Carrying amount at start of year	58,720	58,720
Assets transferred - administrative restructure	1,874	1,874
Additions	11,787	11,787
Depreciation expense	(10,391)	(10,391)
Other reclassifications	(9,805)	(9,805)
<b>Carrying amount at end of year</b>	<b>52,185</b>	<b>52,185</b>

<b>Year Ended 30 June</b>	<b>Software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2006 - Consolidated Entity</b>		
Carrying amount at start of year	39,198	39,198
Additions	15,163	15,163
Disposals	(228)	(228)
Depreciation expense	(13,364)	(13,364)
Other reclassifications	17,951	17,951
<b>Carrying amount at end of year</b>	<b>58,720</b>	<b>58,720</b>

**Reconciliation - Parent Entity**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below:

<b>Year Ended 30 June</b>	<b>Software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2007 - Parent Entity</b>		
Carrying amount at start of year	58,720	58,720
Assets transferred - administrative restructure	1,874	1,874
Additions	11,787	11,787
Depreciation expense	(10,391)	(10,391)
Other reclassifications	(9,805)	(9,805)
<b>Carrying amount at end of year</b>	<b>52,185</b>	<b>52,185</b>

<b>Year Ended 30 June</b>	<b>Software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>2006 - Parent Entity</b>		
Carrying amount at start of year	39,198	39,198
Additions	15,163	15,163
Disposals	(228)	(228)
Depreciation expense	(13,364)	(13,364)
Other reclassifications	17,951	17,951
<b>Carrying amount at end of year</b>	<b>58,720</b>	<b>58,720</b>

**16. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets held for sale</b>				
Land and buildings	16,000	16,000	16,000	16,000
	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>

**17. CURRENT LIABILITIES - PAYABLES**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Accrued salaries, wages and on-costs	5,721	5,439	5,721	5,439
Creditors	97,175	71,790	97,036	71,790
Advance Claims (refer Note 10)	64,261	46,283	64,261	46,283
Amounts due to contractors for work in progress (refer Note 10)	98,860	119,581	98,860	119,581
Other	12,006	19,124	11,686	18,813
	<b>278,023</b>	<b>262,217</b>	<b>277,564</b>	<b>261,906</b>

**18. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Liabilities</b>				
T-Corp borrowings	262,077	217,705	262,077	217,705
Other	166	-	-	-
	<b>262,243</b>	<b>217,705</b>	<b>262,077</b>	<b>217,705</b>
<b>Non-Current Liabilities</b>				
T-Corp borrowings	266,230	220,074	266,230	220,074
	<b>266,230</b>	<b>220,074</b>	<b>266,230</b>	<b>220,074</b>
<b>Total Borrowings</b>	<b>528,473</b>	<b>437,779</b>	<b>528,307</b>	<b>437,779</b>

The Department has a loan facility with T-Corp with a limit of \$650M to fund the State Fleet Leasing Arrangement. Each month funds are drawn from this facility to cover the purchase price of motor vehicles purchased during the previous month. Monthly settlement of principal and interest are made in respect of loan funds drawn down in prior months based on repayment schedules calculated according to individual vehicle lease terms, residuals and capital costs. The monthly settlement also includes repayment of outstanding principal for vehicles disposed of during the preceding month. (Borrowings are recognised at amortised cost using the effective interest method in AASB 139.)

Out of this facility \$528.3M was utilised as at 30 June 2007.

**19. CURRENT LIABILITIES - PROVISIONS**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Employee benefits and related on-costs</b>				
Recreation leave	33,947	25,906	33,791	25,756
Long service leave	70,027	62,559	70,007	62,531
Payroll tax	7,570	5,535	7,570	5,535
	<b>111,544</b>	<b>94,000</b>	<b>111,368</b>	<b>93,822</b>
<b>Other Provisions</b>				
Provision for Income Tax	-	1,046	-	1,046
Provision for transfer to NSW Treasury	8,800	5,579	8,800	5,579
Provision for outstanding claims	1,856	1,856	1,856	1,856
Provision for make good	-	19	-	-
	<b>10,656</b>	<b>8,500</b>	<b>10,656</b>	<b>8,481</b>
<b>Total Current Provisions</b>	<b>122,200</b>	<b>102,500</b>	<b>122,024</b>	<b>102,303</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	111,646	94,000	111,470	93,822
Accrued salaries, wages and on-costs (Note 17)	5,721	5,439	5,721	5,439
	<b>117,367</b>	<b>99,439</b>	<b>117,191</b>	<b>99,261</b>
<b>Employee benefits expected to be settled within 12 months from the reporting date</b>				
Recreation leave	17,098	9,551	16,952	9,496
Long service leave	7,002	6,300	7,000	6,297
	<b>24,100</b>	<b>15,851</b>	<b>23,952</b>	<b>15,793</b>
<b>Employee benefits expected to be settled in more than 12 months from the reporting date</b>				
Recreation leave	16,849	16,355	16,839	16,260
Long service leave	63,025	56,259	63,007	56,234
	<b>79,874</b>	<b>72,614</b>	<b>79,846</b>	<b>72,494</b>
<b>Movements in provisions (other than employee benefits)</b>				
Movements in each class of provision during the financial year, other than employee benefits are set out below:				
<b>Provision for Income Tax</b>				
Carrying amount as at beginning of financial year	1,046	(3,681)	1,046	(3,681)
Provision made during the year	-	4,183	-	4,183
Refund during the year	-	3,681	-	3,681
Payment during the year	1,046	(3,137)	1,046	(3,137)
Carrying amount at end of financial year	<b>0</b>	<b>1,046</b>	<b>0</b>	<b>1,046</b>
<b>Provision for Transfer to NSW Treasury</b>				
Carrying amount as at beginning of the year	5,579	1,968	5,579	1,968
Provision made during the year	8,800	5,579	8,800	5,579
Additional transfer - sale of QStores and cmSolutions	-	25,278	-	25,278
Payment during the year	(5,579)	(27,246)	(5,579)	(27,246)
Carrying amount at end of financial year	<b>8,800</b>	<b>5,579</b>	<b>8,800</b>	<b>5,579</b>
<b>Provision for Outstanding Claims</b>				
Carrying amount as at beginning of the year	1,856	1,100	1,856	1,100
Increase in provision from remeasurement	-	756	-	756
Carrying amount at end of financial year	<b>1,856</b>	<b>1,856</b>	<b>1,856</b>	<b>1,856</b>
<b>Other Provisions</b>				
Carrying amount as at beginning of the year	-	19	-	-
Provision made during the year	708	-	708	-
Carrying amount at end of financial year	<b>708</b>	<b>19</b>	<b>708</b>	<b>-</b>

**20. CURRENT / NON-CURRENT LIABILITIES - OTHER**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Current Liabilities</b>				
Liability to Consolidated Fund	1,712	8,232	1,712	8,232
Liability to Crown Entity	-	1,764	-	1,764
Other creditors and accruals	8,696	9,319	7,651	7,650
<b>Total</b>	<b>9,883</b>	<b>19,315</b>	<b>9,363</b>	<b>17,646</b>
<b>Non Current Liabilities</b>				
Other	6,731	298	6,319	140
<b>Total</b>	<b>6,731</b>	<b>298</b>	<b>6,319</b>	<b>140</b>

**21. CHANGES IN EQUITY**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b><u>Balance at beginning of the financial year</u></b>				
Accumulated funds	401,411	359,219	397,042	354,814
Outside equity interests	(2,838)	(2,727)	-	-
Asset revaluation reserve	18,607	18,607	18,607	18,607
<b>Total</b>	<b>417,180</b>	<b>375,099</b>	<b>415,649</b>	<b>373,421</b>
<b><u>Changes in equity - transactions with owners as owners</u></b>				
Transfer to NSW Treasury for the year	(8,800)	(5,579)	(8,800)	(5,579)
Net transfer due to administrative restructure	93,777	-	93,777	-
Transfer of proceeds from sale of discontinued operation	-	(25,278)	-	(25,278)
<b>Total</b>	<b>84,977</b>	<b>(30,857)</b>	<b>84,977</b>	<b>(30,857)</b>
<b><u>Changes in equity - other than transactions with owners as owners</u></b>				
Surplus for the year	38,726	72,827	38,591	73,085
Outside equity interests	101	111	-	-
<b>Total</b>	<b>38,827</b>	<b>72,938</b>	<b>38,591</b>	<b>73,085</b>
<b><u>Total equity as at 30 June 2007</u></b>				
Accumulated funds	525,111	401,411	520,610	397,042
Outside equity interests	(2,737)	(2,838)	-	-
Asset revaluation reserve	18,607	18,607	18,607	18,607
<b>Total</b>	<b>540,981</b>	<b>417,180</b>	<b>539,217</b>	<b>415,649</b>

**Asset Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Department's policy on the 'Revaluation of Property, Plant and Equipment', as discussed in Note 1(l).

**22. COMMITMENTS FOR EXPENDITURE****(a) Capital Commitments**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Aggregate capital expenditure for the acquisition of information technology equipment and office equipment contracted for at balance date and not provided for:				
Not later than one year	2,251	5,529	2,251	5,529
Later than one year and not later than five years	364	-	364	-
Later than five years	-	-	-	-
<b>Total (including GST)</b>	<b>2,615</b>	<b>5,529</b>	<b>2,615</b>	<b>5,529</b>

**(b) Other Expenditure Commitments**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Aggregate other expenditure for the acquisition of office supplies and grant payments contracted for at balance date and not provided for:				
Not later than one year	709	1,477	709	1,477
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
<b>Total (including GST)</b>	<b>709</b>	<b>1,477</b>	<b>709</b>	<b>1,477</b>

**(c) Operating Lease Commitments**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	31,434	29,718	31,434	29,718
Later than one year and not later than five years	72,314	28,605	72,314	28,605
Later than five years	125,729	8,816	125,729	8,816
<b>Total (including GST)</b>	<b>229,477</b>	<b>67,139</b>	<b>229,477</b>	<b>67,139</b>

The Department has entered into operating lease agreements with government agencies and private companies for provision of accommodation, motor vehicles, computers and plant and equipment for the Department's use.

**Property Leases**

Accommodation leases are entered into with the Crown Property Portfolio and private sector companies. The term of accommodation leases range from two to five years with the option for renewal for further terms. The lease agreement allows the lessor to review rents on specified dates. There is no option for the purchase of buildings at the expiry of the lease term. Recurrent outgoings including cleaning, electricity, rates, management fee and public liability insurance is the responsibility of the Department and all repairs and maintenance of a structural or capital nature is the responsibility of the lessor.

**Motor Vehicle Leases**

Motor vehicles for the Department's use are leased from StateFleet (a business unit of the Department of Commerce) under the New South Wales Government motor vehicle leasing arrangement with Macquarie Bank Limited. StateFleet is the fleet manager of the NSW Government for this facility. The motor vehicles are generally leased for a period of up to 36 months and are returned to the lessor on the expiry of the lease term. The cost of maintaining the vehicle including fuel and repair and maintenance is the responsibility of the Department of Commerce.

Penalties are applicable for return of vehicles either more than three months prior to or more than three months later than the lease expiry date. There is no option for purchase of the motor vehicles on expiry of the lease term.

### Computer Leases

The Department leases standard personal computers from private sector agencies under the NSW Government IT Master Leasing Agreement. The lease term is three years and the computers are returned to the lessor on the expiry of the term. Early termination fee is payable for termination of the contract before the expiry of the contract term. There is no option for the purchase of computers at the expiry of the lease term.

In accordance with NSW Treasury policy on computer leases, the Department has not renewed the leases expiring after 1 July 2004.

### Equipment Leases

The Department leases equipment, including document reproduction machines and scanning machines, from private sector companies. The lease term is generally five years with the option for renewal for further term. Early termination fee is applicable for termination of the contract before the expiry of the contract term. There is no option for the purchase of equipment at the expiry of the lease term.

The total commitments above include input tax credits of \$20.9M that are expected to be recovered from the Australian Taxation Office.

## 23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Contingent liabilities</b>				
Estimated legal liability	295	525	295	525
	295	525	295	525

The Department is currently involved in 4 legal cases where adverse findings may result in costs being awarded against it. Other claims against the Department are covered by the Treasury Managed Fund.

## 24. BUDGET REVIEW

### Net Cost of Services

The actual net cost of services is higher than budget by \$41.8M. The unfavourable variance is mainly due to a decrease of \$6.5M in prepaid superannuation compared to the budgeted increase of \$14M and unbudgeted whole of Government expenses of \$25M including the Government Cleaning Contract incentive payment of \$20M. The actual expense also includes unbudgeted expenses of \$10.3M relating to the shared services function transferred from the former Department of Natural Resources. In addition, the Department's budgeted net cost of services was understated by \$20M due to the whole of Government IT savings included in the original budget. Excluding these items, the Department's net cost of services resulted in a net increase of \$30.8M. This improvement in net cost of services is mainly attributable to savings in operating costs across the Department and an improvement in interest earnings on the Department's bank and investment balances and Statutory funds

### Assets and Liabilities

The Department's total assets were \$143.3M higher than the budget mainly due to the take up of the former Department of Natural Resources assets \$102.8M, State Records Authority receivables \$2.7M and BusinessLink receivables \$21.4M. Total liabilities were also higher than budget by \$40.7M mainly due to the take up of liabilities of \$37M relating to the transferred functions.

### Cash Flows

Net cash flow for 2006/07 was above budget by \$53.3M. The favourable variance is mainly attributed to higher than budgeted net cash inflow from operating activities of \$22.8M. In addition, higher than budgeted proceeds from the sale of motor vehicles and lower than budgeted purchase of fixed assets also contributed to the favourable net cash flow variance.

Other expenses in the cash flow statement include payments made to contractors on behalf of client agencies and a corresponding amount is included in the sale of goods and services, resulting in a nil impact on the net cash position.

**25. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES**

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Net cash used on operating activities	(200,527)	(154,650)	(200,366)	(153,905)
Cash Flows from Government / Appropriations	171,128	162,831	171,128	162,831
Depreciation	158,273	121,659	157,673	121,077
(Decrease)/increase in provisions	20,733	1,377	20,464	1,377
(Increase)/decrease in Work in Progress	(17,829)	11,382	(17,829)	11,382
(Increase)/decrease in debtors and prepayments	(18,002)	(47,045)	(17,110)	(46,959)
Increase/(decrease) in advance billings	17,978	(15,670)	17,978	(15,670)
Increase/(decrease) in creditors	(1,893)	(14,542)	(1,841)	(15,049)
Net (gain)/loss on sale of plant and equipment	6,041	17,246	6,041	17,246
<b>Net cost of services</b>	<b>135,902</b>	<b>82,588</b>	<b>136,138</b>	<b>82,330</b>

**26. TRUST FUNDS**

The Department administers money in a Miscellaneous Trust Fund held at Treasury which is used for payments to Funeral Fund claimants. These monies are excluded from the financial statements as the Department cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account:

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Funeral Fund				
Cash balance at the beginning of the financial year	112	112	112	112
Add: Receipts	-	-	-	-
Less: Expenditure	1	-	1	-
<b>Cash balance at the end of the financial year</b>	<b>111</b>	<b>112</b>	<b>111</b>	<b>112</b>

**27. SPECIAL PURPOSE FUNDS ADMINISTERED BY THE DEPARTMENT**

	Motor Dealers Compensation Fund \$'000	Property Services Compensation Fund \$'000	Statutory Interest Account \$'000	Home Building Administration Fund \$'000
Balance as at the beginning of the year	1,545	28,381	32,635	3
Receipts	581	3,854	39,220	9,341
Expenditure - Administrative	(1,190)	(6,146)	(22,868)	(9,309)
Expenditure - Capital	-	(129)	(585)	(12)
<b>Balance as at the end of the year</b>	<b>936</b>	<b>25,960</b>	<b>48,402</b>	<b>23</b>

The Motor Dealers Act 1974 established the Motor Dealers Compensation Fund to provide protection to persons who have suffered a loss in connection with a motor vehicle through their dealings with a motor dealer or a car-market operator. Licensing fees paid by full dealers and car-market operators finance the fund. Claims are usually made on the fund when a motor dealer ceases to trade either on a voluntary basis or a forced closure.

The Property, Stock and Business Agents Act 2002 established the Property Services Compensation Fund which is supported by:

- (i) investment income earned on the investments of the fund;
- (ii) contributions or levies paid by licensees; and
- (iii) other lawful receipts.

Under Section 167, the money in the Compensation Fund is applied to:

- (i) payment of claims, as provided by the Act;
- (ii) legal expenses in relation to claims, licensing objections and complaints for cancellation, incurred in relation to the Fund;
- (iii) the expense involved in the administration of the Fund; and
- (iv) other lawful expenses.

The Statutory Interest Account is supported, under Part 11 of the Property, Stock and Business Agents Act 2002, by interest earned on trust money held by agents and investments made by the Department.

Under Section 189, the Statutory Interest money may be applied to:

1. Any purpose for which it is required or permitted to be applied by or under this or any other Act.
2. The Director-General may, with the consent of the Minister, apply money held in the Statutory Interest Account for all or any of the following purposes:
  - (i) supplementing the Compensation Fund by such amount as may be needed to enable the current liabilities of the fund to be met;
  - (ii) providing grants or loans for providing or undertaking education or research programs relating to the property services industry (as defined in Section 251 of the *Fair Trading Act 1987*) and approved by the Minister;
  - (iii) providing money for the establishment or administration of rental advisory services;
  - (iv) meeting the costs of administering this Act, the *Conveyancers Licensing Act 1995*, the *Valuers Registration Act 1975* and any other Act prescribed by the regulations for the purposes of this paragraph (or the prescribed provisions of any other Act);
  - (v) meeting the costs of the administration of the Property Services Advisory Council;
  - (vi) meeting the costs of operating a scheme or schemes for resolving disputes arising between consumers and providers of property services;
  - (vii) investing in schemes that relate to the provision of residential accommodation or, subject to such terms and conditions as may be prescribed by the regulations, in loans to authorised deposit-taking institutions.
3. The Treasurer may determine whether any such money is to be invested in any such scheme or loan and the amount to be invested in a scheme or loan.

The Home Building Administration Fund is supported by:

- (i) prescribed fees for contractor licences, registration certificates, owner-builder permits and building consultancy licences;
- (ii) investment income earned on the investments of the Fund; and
- (iii) other lawful receipts.

Under Section 114 of the Home Buildings Act 1989, money in the Home Building Administration Fund is applied to:

- (i) meeting the costs of operating the scheme;
- (ii) meeting the costs of administering the Home Building Act 1989; and
- (iii) the making of any authorised investments.

## 28. ADMINISTERED ASSETS AND LIABILITIES

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Administered Assets</b>				
Licensing Fees	925	801	925	801
<b>Total Administered Assets</b>	<b>925</b>	<b>801</b>	<b>925</b>	<b>801</b>
<b>Administered Liabilities</b>				
Liability to Consolidated Fund	925	801	925	801
<b>Total Administered Liabilities</b>	<b>925</b>	<b>801</b>	<b>925</b>	<b>801</b>

**29. ADMINISTERED REVENUE AND EXPENSES****(a) Public and Trust Monies**

	<b>Public Monies \$'000</b>	<b>Unclaimed Wages \$'000</b>	<b>Entertainment Industry Bonds \$'000</b>
Balance as at the beginning of the year	15	150	172
Receipts	168	45	22
Expenditure	(155)	(4)	(40)
<b>Balance as at the end of the year</b>	<b>28</b>	<b>191</b>	<b>154</b>

**(i) Public Monies**

This represents amounts collected, by Industrial Inspectors acting as intermediaries, in disagreements between employees and employers. The amounts are paid by one party to be onforwarded to the other.

**(ii) Unclaimed Wages**

Under Section 122 of the *Industrial Relations Act 1996*, if an employer is unable to make full payment of remuneration to an employee because that employee cannot be found, must after 30 days send that money to Treasury. Treasury requires that this money be sent to the Office of Industrial Relations for payment to employees upon application.

**(iii) Entertainment Industry Bonds**

Under Section 40 of the Entertainment Industry Act 1989, entertainment industry agents and managers are to establish trust accounts for performers' monies and lodge a bond with the Entertainment Industry Council. Section 41 of the Act deals with the Application/Release of bonds lodged with the Council. The Office of Industrial Relations maintains a register of the bonds lodged/released.

**(b) Crown Revenue**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007 \$'000</b>	<b>2006 \$'000</b>	<b>2007 \$'000</b>	<b>2006 \$'000</b>
Certificate and Licences	54,351	53,739	54,351	53,739
Fines and Fees	628	476	628	476
Motor vehicle lease fee	31,147	58,903	31,147	58,903
Other	4,304	18,318	4,304	18,318
	<b>90,430</b>	<b>131,436</b>	<b>90,430</b>	<b>131,436</b>

**30. ADMINISTERED REVENUE - DEBTS WRITTEN OFF**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007 \$'000</b>	<b>2006 \$'000</b>	<b>2007 \$'000</b>	<b>2006 \$'000</b>
Business Name Registration	17	19	17	19
Home Building Penalties	11	34	11	34
	<b>28</b>	<b>53</b>	<b>28</b>	<b>53</b>

**31. ADMINISTERED REVENUE - SCHEDULE OF UNCOLLECTED AMOUNTS****Schedule of Uncollected Amounts**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007 \$'000</b>	<b>2006 \$'000</b>	<b>2007 \$'000</b>	<b>2006 \$'000</b>
Home building fees	238	156	238	156
Business registrations	11	15	11	15
Trade measurement	9	46	9	46
Other	-	5	-	5
<b>Total Administered Assets</b>	<b>258</b>	<b>222</b>	<b>258</b>	<b>222</b>

**Aged Analysis of Administered Revenue**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Current	2	22	2	22
Between 30 days and 59 days old	5	3	5	3
Between 60 days and 89 days old	2	17	2	17
Over 90 days old	249	180	249	180
<b>Total Administered Assets</b>	<b>258</b>	<b>222</b>	<b>258</b>	<b>222</b>

**32. FINANCIAL INSTRUMENTS**

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

**Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (T-Corp) 11am unofficial cash rate adjusted for a management fee to NSW Treasury. Cash deposited under the Treasury Banking System earned an average interest of 5.14% during the year.

**Receivables**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance for impairment is raised there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 day terms.

**Bank Overdraft**

The Department has a bank overdraft facility of \$45M. This facility was not used during 2006/07.

**Interest Bearing Liabilities**

The Department has a loan facility with T-Corp with a limit of \$650M to fund the State Fleet Leasing Arrangement. Out of this facility \$528M was outstanding as at 30 June 2007. The interest rate on the loan during 2006/07 ranged between 5.7% to 7.5%.

**Trade Creditors and Accruals**

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There were no penalty interest payments during the year.

**Hour-Glass Investment Facilities**

The Department has investments in T-Corp's Hour-Glass Investment facilities. The Department's investments are represented by a number of units in managed investments within the facilities. Each facility has different investment horizons and comprises a mix of asset classes appropriate to that investment horizon. T-Corp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

The Department's investments are:

	Consolidated		Department of Commerce	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash Facility	259,023	561	259,023	561
Bond Market Facility	24,855	27,670	24,855	27,670
	<b>283,878</b>	<b>28,231</b>	<b>283,878</b>	<b>28,231</b>

These investments are generally able to be redeemed with up to five business days notice (dependent upon the facility). The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net fair value. The value of the above investments represents the Department's share of the value of the underlying assets of the facility and is stated at net fair value. The average return during the year on the above investments was 5.83%

### 33. AFTER BALANCE DATE EVENTS

The Department is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

### END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### New South Wales Government Telecommunications Authority and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of New South Wales Government Telecommunications Authority (the Authority), and the Authority and its controlled entity (the consolidated entity), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

#### *Auditor's Opinion*

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of Authority and the consolidated entity as of 30 June 2007, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

#### *Acting Managing Director's Responsibility for the Financial Report*

The Acting Managing Director is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

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

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

My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

### *Independence*

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards 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, and
- 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 are not compromised in their role by the possibility of losing clients or income.



M P Abood, CPA  
Director, Financial Audit Services

22 October 2007  
SYDNEY

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY (TELCO)

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007

STATEMENT BY THE A/MANAGING DIRECTOR

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Pursuant to the requirements of the *Public Finance and Audit Act 1983*, I declare that in my opinion:

- (a) The accompanying consolidated financial statements exhibit a true and fair view of the financial position and transactions of the NSW Government Telecommunications Authority and its subsidiaries as at 30 June 2007 and transactions for the year then ended;
- (b) The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005* and the Treasurer's Directions.

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



Anthony Gates  
A/Managing Director  
NSW Government Telecommunications Authority

19/10/07



<b>NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY</b>					
<b>INCOME STATEMENT</b>					
<b>FOR THE YEAR ENDED 30 JUNE 2007[</b>					
	Notes	Consolidated		Telco	
		Actual 2007 \$'000	Actual 2006 \$'000	Actual 2007 \$'000	Actual 2006 \$'000
<b>Revenue</b>					
Sale of goods and services	2(a)	5,642	4,924	-	-
Investment income	2(b)	85	81	-	-
Grants and contributions	2(c)	619	981	-	-
Other income	2(d)	-	16	-	-
<b>Total Revenue</b>		<b>6,346</b>	<b>6,002</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>					
Operating expenses					
Employee related	3(a)	2,476	2,325	-	-
Other operating expenses	3(c)	3,023	3,338	-	-
Depreciation and amortisation	7	600	582	-	-
Financing costs	3(b)	11	15	-	-
Other expenses	3(d)	-	-	-	330
<b>TOTAL EXPENSES</b>		<b>6,110</b>	<b>6,260</b>	<b>-</b>	<b>330</b>
<b>PROFIT/(LOSS)</b>		<b>236</b>	<b>(258)</b>	<b>-</b>	<b>(330)</b>
<b>NET LOSS ATTRIBUTABLE TO MINORITY EQUITY INTEREST</b>		<b>101</b>	<b>(111)</b>	<b>-</b>	<b>-</b>
<b>NET PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF TELCO</b>	16	<b>135</b>	<b>(147)</b>	<b>-</b>	<b>(330)</b>

The accompanying notes form part of these statements.

<b>NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY</b>					
<b>BALANCE SHEET</b>					
<b>AS AT 30 JUNE 2007</b>					
	Notes	Consolidated		Telco	
		Actual 2007 \$'000	Actual 2006 \$'000	Actual 2007 \$'000	Actual 2006 \$'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4	1,507	1,818	-	-
Receivables	5	667	662	-	-
Other	8	29	14	-	-
<b>Total Current Assets</b>		<b>2,203</b>	<b>2,494</b>	<b>-</b>	<b>-</b>
<b>Non-Current Assets</b>					
Property, plant and equipment	7	1,294	1,372	-	-
Other financial assets	6	-	-	870	870
<b>Total Non-Current Assets</b>		<b>1,294</b>	<b>1,372</b>	<b>870</b>	<b>870</b>
<b>Total Assets</b>		<b>3,497</b>	<b>3,866</b>	<b>870</b>	<b>870</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade creditors and other payables	9	459	314	-	-
Short-term provisions	10	176	169	-	-
Interest bearing liabilities	11	166	287	-	-
Other	12	520	1,382	-	-
<b>Total Current Liabilities</b>		<b>1,321</b>	<b>2,152</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>					
Long-term provisions	13	83	28	-	-
Other	14	36	37	-	-
Other Interest Bearing Liabilities	15	293	121	-	-
<b>Total Non-Current Liabilities</b>		<b>412</b>	<b>186</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>1,733</b>	<b>2,338</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>		<b>1,764</b>	<b>1,528</b>	<b>870</b>	<b>870</b>
<b>EQUITY</b>					
Retained earnings	16	4,501	4,366	870	870
Parent entity interest		<b>4,501</b>	<b>4,366</b>	<b>870</b>	<b>870</b>
Minority equity interest		(2,737)	(2,838)	-	-
<b>Total Equity</b>		<b>1,764</b>	<b>1,528</b>	<b>870</b>	<b>870</b>

The accompanying notes form part of these statements.

<b>NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY</b>					
<b>STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2007</b>					
	Notes	Consolidated		Telco	
		Actual 2007 \$'000	Actual 2006 \$'000	Actual 2007 \$'000	Actual 2006 \$'000
Net income recognised directly in the equity		-	-	-	-
PROFIT / (LOSS) FOR THE YEAR		236	(258)	-	(330)
<b>TOTAL RECOGNISED INCOME / (EXPENSES) FOR THE YEAR</b>		<b>236</b>	<b>(258)</b>	<b>-</b>	<b>(330)</b>
<b>EFFECT OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS</b>		-	-	-	-
Attributable to:					
Members of Telco		135	(147)	-	(330)
Minority Interest		101	(111)	-	-
		<b>236</b>	<b>(258)</b>	<b>-</b>	<b>(330)</b>

The accompanying notes form part of these statements.

<b>NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY</b>					
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007</b>					
	Notes	Consolidated		Telco	
		Actual 2007 \$'000	Actual 2006 \$'000	Actual 2007 \$'000	Actual 2006 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Payments</b>					
Payments to suppliers and employees		(5,203)	(5,456)	-	-
Financing costs		(63)	(46)	-	-
<b>Total Payments</b>		<b>(5,266)</b>	<b>(5,502)</b>	-	-
<b>Receipts</b>					
Receipts from operations		5,342	6,166	-	-
Interest received		85	81	-	-
<b>Total Receipts</b>		<b>5,427</b>	<b>6,247</b>	-	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	18	<b>161</b>	<b>745</b>	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for property, plant and equipment		(172)	(223)	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(172)</b>	<b>(223)</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of interest bearing liabilities		(300)	(449)	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(300)</b>	<b>(449)</b>	-	-
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		<b>(311)</b>	<b>73</b>	-	-
Cash and cash equivalents at the beginning of the financial year		1,818	1,745	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	4	<b>1,507</b>	<b>1,818</b>	-	-

The accompanying notes form part of these statements.

**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Reporting Entity**

The NSW Government Telecommunications Authority (Telco), as a reporting entity, comprises Telco in its own right and the Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) in which Telco has a controlling interest.

The mission of the Authority (Telco), which is a wholly owned subsidiary of the Department of Commerce, is to enable the use of telecommunication infrastructure networks of Government agencies for the common carriage of Government communications and to enable the best commercial advantage to be obtained from any excess network capacity, infrastructure or facilities of Government agencies. Telco is classified as a not-for-profit entity as profit is not its principal objective.

The Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) was registered as a proprietary company limited by shares under the Corporations Act 2001 on 10 November 2000. Telco holds 57% of the shares on behalf of the NSW Government and the remaining 43% are held by eight NSW based Universities.

This consolidated financial report for the year ended 30 June 2007 has been authorised for issue by the Acting Managing Director on 19 October 2007.

**(b) Basis of Preparation**

The financial statements of the consolidated entity are general purpose financial reports which have been prepared, except where stated, on an accrual basis at historical cost and in accordance with:

- applicable Australian Accounting Standards (which include Australian Equivalents to International Financial Reporting Standards (AEIFRS));
- the requirements of the *Public Finance and Audit Act 1983* and Regulation 2005.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

At the reporting date, a number of Accounting Standards adopted by the AASB has been issued but are not yet operative and have not been early adopted by Telco. The following is a list of these standards:

- AASB 7 & AASB 2005-10 regarding financial instrument disclosures;
- AASB 8 & AASB 2007-3 regarding operating segments;
- AASB 101 (Oct 2006) regarding presentation of financial statements;
- AASB 123 (June 2007) and AASB 2007-6 regarding borrowing costs;
- AASB 1049 regarding the general government sector and GFS/GAAP convergence;
- AASB 2007-4 regarding Australian additions to and deletions from IFRSs;
- AASB 2007-5 regarding inventories held for distribution by not-for-profit entities;
- Interpretation 4 (Feb 2007) regarding determining whether an arrangement contains a lease;
- Interpretation 10 regarding interim financial reporting;
- Interpretation 11 & AASB 2007-1 regarding group and Treasury share transactions;
- Interpretation 12 & AASB 2007-2 regarding service concession arrangements;
- Interpretation 129 (Feb 2007) regarding service concession disclosures.

It is considered that the implementation of these Standards will not have any material impact on Telco's financial results.

All amounts are rounded to the nearest one thousand dollars.

**(c) Cash and Cash Equivalents**

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks and money market investments readily convertible to cash.

**(d) Receivables**

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

**(e) Capitalisation Thresholds**

Items of plant and equipment are capitalised when their costs exceed the threshold of \$1,000 and they meet the definition and recognition criteria for an asset.

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

**(f) Valuation of Property, Plant and Equipment**

Physical plant and equipment is valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 07-01).

Property, plant and equipment are measured at depreciated historical cost, as a surrogate for fair value.

**(g) Depreciation of Property, Plant and Equipment**

Depreciation is provided on a straight-line basis on all property, plant and equipment. Major depreciation periods are:

Plant and equipment	4 to 8 years
Furniture and fittings	5 years

**(h) Leases**

Leases of plant and equipment, where substantially all the risks and benefits incidental to ownership of the asset, but not legal ownership, are transferred to the Authority are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(i) Payables**

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

**(j) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

Rendering of Services - Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

Interest - Control of the right to receive the interest payment.

**(k) Income tax**

Telco is a tax-exempt entity. Telco's subsidiary is not tax exempt and applies the following policy.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

**(l) Employee Benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits are measured at their nominal amounts using remuneration rates expected to apply at the time of settlement. As the long service leave liabilities expected to be payable in greater than one year are of small dollar value, any present value effect would be immaterial.

**(m) Administrative and Managerial Support**

The Department of Commerce continues to provide expertise, assistance and administrative support to Telco. No fee was paid for the services during 2006/07 as Telco's operations have been minimal. ac3 manages its own affairs.

**(n) Other Financial Assets**

Telco's investment in ac3 is classified as an available for sale financial asset. It is revalued periodically and revaluation decrements have been recognised as expenses in the income statement.

**(o) Goods and Services Tax (GST)**

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

**(p) Principles of Consolidation**

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the Authority (the parent entity) and its controlled entities as defined in the Accounting Standard AASB 127 *Consolidated and Separate Financial Statements*. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Authority obtains control and until such time as the Authority ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

**2. REVENUES****(a) Sale of Goods and Services**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fees and charges	5,642	4,924	-	-
	<b>5,642</b>	<b>4,924</b>	<b>-</b>	<b>-</b>

**(b) Investment Income**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest	85	81	-	-
	<b>85</b>	<b>81</b>	<b>-</b>	<b>-</b>

**(c) Grants and Contributions**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Australian Partnership for Advanced Computing Grant (APAC)	619	981	-	-
	<b>619</b>	<b>981</b>	<b>-</b>	<b>-</b>

**(d) Other Revenue**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Other Revenue	-	16	-	-
	<b>-</b>	<b>16</b>	<b>-</b>	<b>-</b>

**3. EXPENSES****(a) Employee Related Expenses**

Employee Related Expenses comprise the following specific items:

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including recreation leave)	2,107	1,947	-	-
Superannuation	194	184	-	-
Staff recruitment	5	1	-	-
Payroll tax	112	108	-	-
Annual leave and long service leave expenses	58	85	-	-
	<b>2,476</b>	<b>2,325</b>	<b>-</b>	<b>-</b>

**(b) Borrowing Cost**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Interest	11	15	-	-
	<b>11</b>	<b>15</b>	-	-

**(c) Other Operating Expenses**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Operating lease rental expense - minimum lease payments	53	30	-	-
Rent	248	228	-	-
Repairs and maintenance	212	140	-	-
Information management and technology	-	42	-	-
Telecommunications	307	298	-	-
Auditor's remuneration - audit of financial reports	25	24	-	-
Director's remuneration	104	110	-	-
APAC membership fee	167	333	-	-
APAC payments	473	690	-	-
Cost of goods sold	421	604	-	-
Other	1,013	839	-	-
	<b>3,023</b>	<b>3,338</b>	-	-

No payment was made to the Directors of Telco in the current financial year and the previous financial year.

Fees paid to the Directors of ac3 totalled \$104,000. (4 in the band \$10,000 - \$19,999; 2 in the band \$20,000 - \$29,999.)

The audit fee for the audit of ac3 Financial Report was \$25,000. The auditor received no other benefit. Department of Commerce paid the audit fees for the audit of Telco and accounting administration fees on behalf of the Authority.

**(d) Other Expenses**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revaluation Decrement - Investment in ac3	-	-	-	330
	-	-	-	<b>330</b>

**4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash at bank and on hand	1,507	1,818	-	-
	<b>1,507</b>	<b>1,818</b>	-	-

For the purposes of the Cash Flow Statement, cash includes cash on hand and cash at bank.

Cash assets recognised in the Balance Sheet are reconciled to cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement as follows:

Cash and cash equivalents (per Balance Sheet)	1,507	1,818	-	-
Closing cash and cash equivalents (per Cash Flow Statement)	<b>1,507</b>	<b>1,818</b>	-	-

#### 5. CURRENT ASSETS - RECEIVABLES

	Consolidated		Telco	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
<b>Current Receivables</b>				
Sale of goods and services	667	662	-	-
	<b>667</b>	<b>662</b>	-	-

#### 6. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

	Consolidated		Telco	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
<b>Other Financial Assets available for sale</b>				
Shares in ac3 Pty Ltd	-	-	870	870
	-	-	<b>870</b>	<b>870</b>

#### 7. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Consolidated		Telco	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
<b>Plant and Equipment</b>				
At fair value	6,075	5,553	-	-
Accumulated depreciation	(4,781)	(4,181)	-	-
<b>Net Book Value</b>	<b>1,294</b>	<b>1,372</b>	-	-

##### Reconciliation - 2007

	Plant & Equipment \$'000	Furniture & Fittings \$'000	Leased Assets \$'000	Total \$'000
Carrying amount at the beginning of year	618	90	664	1,372
Additions	167	3	352	522
Depreciation expense	(344)	(35)	(221)	(600)
<b>Carrying amount at the end of year</b>	<b>441</b>	<b>58</b>	<b>795</b>	<b>1,294</b>

Management considers that the written down value of all other assets as at 30 June 2007 approximates the fair value.

##### Reconciliation - 2006

	Plant & Equipment \$'000	Furniture & Fittings \$'000	Leased Assets \$'000	Total \$'000
Carrying amount at the beginning of year	714	102	872	1,688
Additions	200	22	44	266
Depreciation expense	(297)	(35)	(250)	(582)
<b>Carrying amount at the end of year</b>	<b>617</b>	<b>89</b>	<b>666</b>	<b>1,372</b>

**8. CURRENT ASSETS - OTHER**

	Consolidated		Telco	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
<b>Current Assets - Other</b>				
Prepayments	29	14	-	-
	<b>29</b>	<b>14</b>	-	-

**9. CURRENT LIABILITIES - TRADE CREDITORS & PAYABLES**

	Consolidated		Telco	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Trade creditors	139	12	-	-
Other	320	302	-	-
	<b>459</b>	<b>314</b>	-	-

**10. CURRENT LIABILITIES - SHORT-TERM PROVISIONS**

	Consolidated		Telco	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Long service leave	20	-	-	-
Recreation leave	156	150	-	-
Provision for premises relocation	-	19	-	-
	<b>176</b>	<b>169</b>	-	-

**11. CURRENT LIABILITIES – INTEREST BEARING LIABILITIES**

	Consolidated		Telco	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Lease liability	166	287	-	-
	<b>166</b>	<b>287</b>	-	-

**12. CURRENT LIABILITIES - OTHER**

	Consolidated		Telco	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Revenue in advance	520	1,382	-	-
	<b>520</b>	<b>1,382</b>	-	-

**13. NON-CURRENT LIABILITIES - LONG TERM PROVISIONS**

	Consolidated		Telco	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Liability for Long Service Leave	60	28	-	-
Provision for premises relocation	23	-	-	-
	<b>83</b>	<b>28</b>	-	-

**14. NON-CURRENT LIABILITIES - OTHER**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revenue in advance	36	37	-	-
	<b>36</b>	<b>37</b>	-	-

**15. NON-CURRENT LIABILITIES – INTEREST BEARING LIABILITIES**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Lease liability	293	121	-	-
	<b>293</b>	<b>121</b>	-	-

**16. CHANGES IN EQUITY**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Contributed Equity</b>				
Retained earnings:				
Balance at the beginning of the financial year	4,366	4,513	870	1,200
Net profit/(loss) attributable to members of Telco	135	(147)	-	(330)
<b>Balance at the end of the financial year</b>	<b>4,501</b>	<b>4,366</b>	<b>870</b>	<b>870</b>
<b>Minority Equity Interest</b>				
Minority equity interest in controlled entity comprises:				
Australian Centre for Advanced Computing and Communications Pty Limited	(2,737)	(2,838)	-	-
Represented by:				
Interest in accumulated losses at end of financial year	(5,657)	(5,758)	-	-
Interest in contributed equity	2,920	2,920	-	-
<b>Total Minority Equity Interest</b>	<b>(2,737)</b>	<b>(2,838)</b>	-	-

**17. COMMITMENTS FOR EXPENDITURE****(a) Other Expenditure Commitments**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Aggregate other expenditure for the acquisition of items as detailed below contracted for at balance date and not provided for:				
Not later than one year	118	69	-	-
Later than one and not later than five years	147	39	-	-
<b>Total (including GST)</b>	<b>265</b>	<b>108</b>	-	-

The total "other expenditure commitments" above includes input tax credits of \$24,000 that are expected to be recovered from the Australian Taxation Office.

**(b) Operating Lease Commitments**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Future non-cancellable operating lease rentals not provided for and payable for accommodation and equipment:				
Not later than one year	325	50	-	-
Later than one and not later than five years	345	96	-	-
<b>Total (including GST)</b>	<b>670</b>	<b>146</b>	-	-

**(c) Finance Lease Commitments**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Future non-cancellable finance lease payments payable for equipment				
Not later than one year	199	298	-	-
Later than one and not later than five years	350	124	-	-
Minimum lease payments	549	422	-	-
Later than one and not later than five years	(90)	(14)	-	-
<b>Total (including GST)</b>	<b>459</b>	<b>408</b>	-	-
Included in the financial statements as:				
Current interest bearing liabilities	166	287	-	-
Non-Current interest bearing liabilities	293	121	-	-
<b>Total Interest bearing liabilities</b>	<b>459</b>	<b>408</b>	-	-

**18. RECONCILIATION OF NET PROFIT/(LOSS) TO NET CASH FLOWS FROM OPERATIONS**

	Consolidated		Telco	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Net Profit / (Loss)	236	(258)	-	(330)
<b>Non-Cash Items</b>				
Depreciation	600	582	-	-
<b>Changes in Assets and Liabilities</b>				
(Increase)/decrease in receivables	(5)	(87)	-	-
(Increase)/decrease in other assets	(25)	1	-	330
(Decrease)/increase in prepayments	(862)	-	-	-
(Decrease)/increase in payables/provisions	269	452	-	-
(Decrease)/increase in liabilities	(52)	55	-	-
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>161</b>	<b>745</b>	-	-

**19. SEGMENT REPORTING**

The consolidated entity operates in one business and geographical segment, being the provision of Managed Co-location Services in New South Wales.

**20. FINANCIAL INSTRUMENTS****(a) Interest Rate Risk**

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing				Non Interest Bearing	
					Within 1 Year		1 - 5 Years			
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Financial Assets</b>										
Cash	4.59%	4.56%	1,507	1,818	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	667	662
Total Financial Assets	-	-	1,507	1,818	-	-	-	-	667	662
<b>Financial Liabilities</b>										
Payables	-	-	-	-	-	-	-	-	489	314
Lease Liabilities	-	-	-	-	166	287	293	121	-	-
Total Financial Liabilities	-	-	-	-	166	287	293	121	489	314

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and notes to the financial report.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under the financial instruments entered into by the entity.

**(c) Net Fair Values**

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to the financial statements.

**21. CONTINGENT LIABILITIES AND ASSETS**

The consolidated entity is not aware of any contingent liabilities or assets associated with its operations.

**22. AFTER BALANCE DATE EVENTS**

There were no after balance date events.

**END OF AUDITED FINANCIAL STATEMENTS**



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Australian Centre for Advanced Computing and Communications Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Australian Centre for Advanced Computing and Communications Pty Limited (the Company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

#### *Auditor's Opinion*

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Company as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

#### *Board's Responsibility for the Financial Report*

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

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

I believe that 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 they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

***Independence***

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards 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, and
- 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 are not compromised in their role by the possibility of losing clients or income.



M P Abood CPA  
Director, Financial Audit Services

18 October 2007  
SYDNEY

# Directors' Declaration

In accordance with a resolution of the directors of the Australian Centre for Advanced Computing and Communications Pty Ltd and pursuant to Section 41C(1C) of the Public Finance and Audit Act 1983, in the opinion of the directors:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the company as at 30 June 2007 and the transactions for the year ended 30 June 2007.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Regulation 2005.

In the directors' opinion, the company will be able to pay its debts as and when they fall due.

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

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



Director



Director

Sydney

Dated 13/10/07



**AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$'000	2006 \$'000
<b>Revenue</b>	2	6,346	6,002
Employee benefits expense	3	(2,476)	(2,325)
Depreciation expenses		(600)	(582)
Financing expenses		(11)	(15)
Other operating expenses	3	(3,023)	(3,338)
<b>Profit/(loss) for the year</b>		<b>236</b>	<b>(258)</b>

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

## AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD

BALANCE SHEET  
AS AT 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,507	1,818
Trade and other receivables	5	667	662
Prepayments	6	30	14
Total current assets		<u>2,204</u>	<u>2,494</u>
<b>Non-current assets</b>			
Plant and equipment	7	1,294	1,372
Total non-current assets		<u>1,294</u>	<u>1,372</u>
<b>TOTAL ASSETS</b>		<u><u>3,498</u></u>	<u><u>3,866</u></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	459	314
Short-term provisions	9	176	169
Interest bearing liabilities	10	166	287
Other current liabilities	11	520	1,382
Total current liabilities		<u>1,321</u>	<u>2,152</u>
<b>Non-current liabilities</b>			
Long-term provisions	9	83	28
Interest bearing liabilities	10	293	121
Other non-current liabilities	11	36	37
Total non-current liabilities		<u>412</u>	<u>186</u>
<b>TOTAL LIABILITIES</b>		<u>1,733</u>	<u>2,338</u>
<b>NET ASSETS</b>		<u>1,765</u>	<u>1,528</u>
<b>EQUITY</b>			
Issued capital	12	14,920	14,920
Accumulated losses		(13,155)	(13,392)
		<u>1,765</u>	<u>1,528</u>

The above balance sheet should be read in conjunction with the accompanying notes.

## AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD

STATEMENT OF RECOGNISED INCOME AND EXPENSE  
FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$'000	2006 \$'000
Net income recognised directly in equity	-	-
Net profit/(loss) for the year	236	(258)
<b>Total Recognised Income and Expense for the year</b>	<u>236</u>	<u>(258)</u>

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.

## AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD

CASH FLOW STATEMENT  
AS AT 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers, grants and rentals		5,342	6,166
Payments to suppliers and employees		(5,203)	(5,456)
Financing costs		(63)	(46)
Interest received		85	81
<b>Net cash provided by operating activities</b>	16	161	745
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(172)	(223)
<b>Net cash used in investing activities</b>		(172)	(223)
<b>Cash flows from financing activities</b>			
Borrowings/(net repayments of interest bearing liabilities)		(300)	(449)
<b>Net cash used in financing activities</b>		(300)	(449)
<b>Net (decrease)/increase in cash and cash equivalents held</b>		(311)	73
<b>Cash and cash equivalents at the beginning of the financial year</b>		1,818	1,745
<b>Cash and cash equivalents at the end of the financial year</b>		1,507	1,818

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

**AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

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**AUSTRALIAN CENTRE FOR ADVANCED COMPUTING AND COMMUNICATIONS PTY LTD**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

1 Summary of significant accounting policies

**(a) Reporting entity**

The Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) was registered as a proprietary company limited by shares under the Corporations Act 2001 on 10 November 2000. Currently 57% of the shares in this company are held on behalf of the NSW Government by NSW Government Telecommunications Authority (Telco), with the remaining 43% being held by 8 NSW based Universities.

Its registered office and principal place of business is Suite G16, Bay 7, Eveleigh NSW 1430.

This financial report for the year ended 30 June 2007 has been authorised for issue by the Directors on 13<sup>th</sup> October 2007.

**(b) Basis of preparation**

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International financial Reporting Standards (AEIFRS).

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative and have not been early adopted by the company. The following is a list of these standards:

- AASB 7 & AASB 2005-10 regarding financial instrument disclosures
- AASB 8 & AASB 2007-3 regarding operation segments
- AASB 101 (Oct 2006) regarding presentation of financial statements
- AASB 123 (June 2007) and AASB 2007-6 regarding borrowing costs
- AASB 1049 regarding the general government sector and GFS/GAAP convergence
- AASB 2007-4 regarding Australian additions to and deletions from IFRSs
- AASB 2007-5 regarding inventories held for distribution by not-for-profit entities
- Interpretation 4 (Feb 2007) regarding determining whether an arrangement contains a lease
- Interpretation 10 regarding interim financial reporting
- Interpretation 11 & AASB 2007-1 regarding group and Treasury share Transactions
- Interpretation 12 & AASB 2007-2 regarding service concession arrangements
- Interpretation 129 (Feb 2007) regarding service concession disclosures

It is considered that the implementation of these Standards will not have any material impact on the company's financial results

*Reporting Basis and Conventions*

Due to its size of operations the company is a small proprietary company under the *Corporations Act 2001* and is not required under that Act to prepare a general purpose financial report. Because the company is controlled by a statutory authority (Telco) the company is also a statutory authority under the *Public Finance and Audit Act 1983*. This Act requires the company to prepare a general purpose financial report.

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

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

**(c) Income tax**

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

**(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

**(e) Trade receivables**

Trade receivables are recognised and carried at original invoice amount less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is recognised in the income statement.

**(f) Acquisition of assets**

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

**(g) Plant and equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period they are incurred.

**(h) Depreciation**

The depreciable amount of all fixed assets including capitalised leased assets is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Major depreciation periods are:-

Plant and equipment	4-8 years
Furniture and fittings	5 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**(i) Impairment of assets**

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

**(j) Leases**

Leases of plant and equipment, where substantially all the risks and benefits incidental to ownership of the asset, but not legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(k) Financial instruments***Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligation exist. Subsequent to initial recognition these instruments are measured as set out below.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**(k) Financial instruments continued***Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising of original debt less principal payments and amortisation.

*Impairment*

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

**(l) Employee entitlements**

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave. Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee entitlements are measured at their nominal amounts using remuneration rates expected to apply at the time of settlement. As the long service leave liabilities expected to be payable in greater than one year are of small dollar value, any present value effect would be immaterial.

**(m) Provisions**

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

**(n) Revenue recognition**

Revenue is recognised to the extent that the economic benefits will flow to the entity and the revenue can be reliably measured:

*Sale of goods*

Control of the goods has passed to the buyer.

*Rendering of services*

Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

*Interest*

Control of the right to receive the interest payment.

**(o) Goods and services tax (GST)**

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

**(p) Valuation of plant and equipment**

Physical plant and equipment is valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 07-01). ac3's non current assets are non-specialised assets with short useful lives. They are measured at depreciated historical cost, as a surrogate for fair value.

**(q) Dividends**

Dividends are recorded when paid or declared.

	<b>2007</b>	<b>2006</b>
	<b>\$'0/0</b>	<b>\$'000</b>
2 Revenue		
<b>Revenue from continuing operations</b>		
Sales of goods and services	5,642	4,924
	<u>5,642</u>	<u>4,924</u>
<b>Other revenue</b>		
Grants received:		
Australian Partnership for Advanced Computing	619	981
Interest received	85	81
Sundry income	-	16
	<u>704</u>	<u>1,078</u>
<b>Total revenue</b>	<u><u>6,346</u></u>	<u><u>6,002</u></u>

### 3 Expenses

The profit/(loss) from continuing operations before income tax expense includes the following specific expenses:

<i>Employee benefits expense</i>		
Annual and long service leave provided	58	84
Payroll tax	112	108
Salaries and wages	2,107	1,947
Staff recruitment	5	1
Superannuation	194	185
Total employee benefits expense	<u><u>2,476</u></u>	<u><u>2,325</u></u>

	<b>2007</b>	<b>2006</b>
	<b>\$'0/0</b>	<b>\$'000</b>
<b>3 Expenses continued</b>		
The profit/(loss) from continuing operations before income tax		
Expense includes the following specific expenses:		
<i>Other expenses</i>		
APAC payments	473	690
Audit fees	25	24
Cost of goods sold	421	604
Directors' consulting fees	-	-
Directors' remuneration	104	110
Information management and technology	-	42
Membership fees (including Australian Partnership for Advanced Computing subscription)	167	333
Operating lease rental – minimum lease payments	53	30
Other expenses	1,013	839
Rent	248	228
Repairs and maintenance	212	140
Telecommunications	307	298
Total other expenses	<u>3,023</u>	<u>3,338</u>

**4 Cash and cash equivalents**

Cash at bank and on hand	<u>1,507</u>	<u>1,818</u>
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**(a) Reconciliation to cash and cash equivalents at the end of the year**

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balance per cash flow statement	<u>1,507</u>	<u>1,818</u>
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**(b) Cash at bank and on hand**

The deposits are bearing floating interest rate of 4.59% (2006 – 4.56%). These funds are at call.

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
5 Trade and other receivables		
<b>Current</b>		
Trade debtors	667	662
	<u>667</u>	<u>662</u>
6 Prepayments		
<b>Current</b>		
Prepayments - general	30	14
	<u>30</u>	<u>14</u>

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>7 Plant and equipment</i>		
At fair value	6,075	5,553
Accumulated depreciation	(4,781)	(4,181)
Total written down value plant and equipment	<u>1,294</u>	<u>1,372</u>

Reconciliation - 2007	Plant & Equipment	Furniture & Fittings	Leased Assets	Total
Carrying amount at the beginning of year	618	90	664	1,372
Additions	167	3	352	522
Disposals	-	-	-	-
Depreciation expense	(344)	(35)	(221)	(600)
Carrying amount at the end of year	<u>441</u>	<u>58</u>	<u>795</u>	<u>1,294</u>
Reconciliation - 2006				
Carrying amount at the beginning of year	715	102	871	1,688
Additions	201	22	43	266
Disposals	-	-	-	-
Depreciation expense	(298)	(34)	(250)	(582)
Carrying amount at the end of year	<u>618</u>	<u>90</u>	<u>664</u>	<u>1,372</u>

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
8 Trade and other payables		
<b>Current</b>		
Net GST payable	33	96
Sundry creditors and accruals	287	206
Trade creditors	139	12
	<u>459</u>	<u>314</u>
9 Provisions		
<b>Short-term</b>		
Liability for annual leave	156	150
Liability for long service leave	20	-
Provision for premises relocation	-	19
	<u>176</u>	<u>169</u>
<b>Long-term</b>		
Liability for long service leave	60	28
Provision for premises relocation	23	-
	<u>83</u>	<u>28</u>
<b>Employee numbers</b>		
Average number of employees during the financial year	<u>24</u>	<u>21</u>
10 Interest bearing liabilities		
<b>Current</b>		
Lease liability	<u>166</u>	<u>287</u>
<b>Non-current</b>		
Lease liability	<u>293</u>	<u>121</u>

	2007 \$'000	2006 \$'000
11 Other liabilities		
<b>Current</b>		
Income in advance	520	1,382
<b>Non-current</b>		
Income in advance	36	37
12 Issued capital		
Issued shares, fully paid	14,920	14,920
Accumulated loss	(13,155)	(13,392)
Movement in accumulated funds for the year	1,765	1,528
Opening balance	(13,392)	(13,134)
Profit/ (Loss) for the year	236	(258)
Closing balance	(13,155)	(13,392)

## 13 Director and executive disclosures

**(a) Details of director remuneration**

Details of the remuneration of each non-executive director of Australian Centre for Advanced Computing and Communications Pty Ltd are set out in the following table.

Name	Primary	Post-employment	Total (\$'000)
	Cash salary and fees (\$'000)	Superannuation (\$'000)	
L. Botten	25	2	27
R. Dixon	13	1	14
C. Howells	13	1	14
E. More	13	1	14
N. Stevens	26	2	28
R. Wheeler	13	1	14
<b>Total</b>	<b>103</b>	<b>8</b>	<b>111</b>

None of the other directors listed in the directors' report received any remuneration for the financial year ended 30 June 2007.

13 Director and executive disclosures *continued***(b) Details of key management personnel**

The names of each person holding the position of director of the company during the financial year are listed on page 2 of the Directors' Report. The directors have been in office for the financial year.

Details of the executive officers are as follows:

Philip McCrea, Chief Executive Officer  
Eric Whitehouse, Chief Operating Officer

**(c) Compensation of key management personnel**

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Short term benefits</b>	336	338
<b>Post-employment benefits</b>	29	30
<b>Other long-term employee benefits</b>	32	16
Key management personnel compensation	397	384

The remuneration and other terms of employment are formalised in contracts of employment.

## 14 Commitments for expenditure

**Other Expenditure commitments**

Aggregate other expenditure for the acquisition of items as detailed below contracted for at balance date and not provided for:

<i>Agreements with various communication suppliers:</i>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Minimum commitments payable are as follows:		
Within one year	118	69
Later than one year but not later than five years	147	39
The total other expenditure commitments includes input tax credits of \$24,000 that are expected to be recoverable from the Australian Taxation Office.	265	108

14 Commitments for expenditure *continued***Operating leases**

Future non-cancellable operating lease rentals not provided for and payable for accommodation and equipment relating to varying contract periods and suppliers.

<i>Accommodation and equipment</i>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Minimum commitments payable are as follows:		
Within one year	325	50
Later than one year but not later than five years	345	96
	<hr/>	<hr/>
The total accommodation and equipment commitments include input tax credits of \$61,000.	<hr/> <b>670</b> <hr/>	<hr/> <b>146</b> <hr/>

**Finance leases**

Future non-cancellable finance lease payments for equipment relating to varying contract periods and suppliers.

*Equipment*

Minimum commitments payable are as follows:

Within one year	199	298
Later than one year but not later than five years	350	124
	<hr/>	<hr/>
Minimum lease payments	549	422
Future finance charges	(90)	(14)
	<hr/>	<hr/>
Present value of minimum lease payments	<b>459</b>	<b>408</b>

Finance leases are disclosed on the balance sheet as follows:

Current interest bearing liability	166	287
Non-current interest bearing liability	293	121
	<hr/>	<hr/>
	<b>459</b>	<b>408</b>

## 15 Segment reporting

The company operates in one business and geographical segment, being the provision of Managed Co-location Services in New South Wales.

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
16 Reconciliation of profit/(loss) to net cash inflows from operating activities		
Profit/(loss)	236	(258)
Depreciation of plant and equipment	600	582
<b>Changes in operating assets and liabilities</b>		
(Increase) in trade and other receivables	(5)	(87)
(Increase)/Decrease in other assets	(25)	1
(Decrease) in prepaid revenue	(862)	-
Increase in trade creditors and provisions	269	452
(Decrease)/Increase in other liabilities	(52)	55
<b>Net cash provided by operating activities</b>	<u>161</u>	<u>745</u>

## 17 Auditor's remuneration

The auditor of the Australian Centre for Advanced Computing and Communications Pty Ltd is:  
The Audit Office of NSW.

Amounts due to the Audit Office of NSW:

**Assurance services***Audit services*

Audit of the financial report	<u>25</u>	<u>24</u>
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## 18 Financial instruments

**2007****Fixed interest maturing in:**

	<b>Floating interest rate</b>	<b>1 year or less</b>	<b>1 year to 5 years</b>	<b>More than 5 years</b>	<b>Non- interest bearing</b>	<b>Total</b>
<i>Financial assets</i>						
Cash and cash equivalents	1,507	-	-	-	-	1,507
Trade and other receivables	-	-	-	-	667	667
<b>Total financial assets</b>	<b>1,507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667</b>	<b>2,174</b>
Weighted average interest rate	4.59%	n/a	n/a	n/a	n/a	
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	489	489
Lease liabilities	-	166	293	-	-	459
<b>Total financial liabilities</b>	<b>-</b>	<b>166</b>	<b>293</b>	<b>-</b>	<b>489</b>	<b>948</b>
Weighted average interest rate	n/a	n/a	n/a	n/a	n/a	
<b>Net financial assets</b>	<b>1,507</b>	<b>(166)</b>	<b>(293)</b>	<b>-</b>	<b>178</b>	<b>1,226</b>

**2006****Fixed interest maturing in:**

	<b>Floating interest rate</b>	<b>1 year or less</b>	<b>1 year to 5 years</b>	<b>More than 5 years</b>	<b>Non- interest bearing</b>	<b>Total</b>
<i>Financial assets</i>						
Cash and cash equivalents	1,818	-	-	-	-	1,818
Trade and other receivables	-	-	-	-	662	662
<b>Total financial assets</b>	<b>1,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662</b>	<b>2,480</b>
Weighted average interest rate	4.56%	n/a	n/a	n/a	n/a	
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	314	314
Lease liabilities	-	287	121	-	-	408
<b>Total financial liabilities</b>	<b>-</b>	<b>287</b>	<b>121</b>	<b>-</b>	<b>314</b>	<b>722</b>
Weighted average interest rate	n/a	n/a	n/a	n/a	n/a	
<b>Net financial assets</b>	<b>1,818</b>	<b>(287)</b>	<b>(121)</b>	<b>-</b>	<b>348</b>	<b>1,758</b>

18 Financial instruments *continued***Credit risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount of those assets, net of any allowance for doubtful receivables, as disclosed in the balance sheet and notes to the financial report.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

**Net fair values**

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

## 19. Contingent liabilities and assets

ac3 is not aware of any contingent liabilities or assets associated with its operations.

## 20. Subsequent events

There were no events occurring after reporting date requiring disclosure.

# A p p e n d i c e s

The background is a solid, vibrant blue. Overlaid on this background is a complex, abstract white line drawing. The drawing consists of numerous thin, overlapping lines that form a central, somewhat circular shape with many internal curves and loops. The lines are most concentrated in the center and become more sparse towards the edges, creating a sense of depth and movement. The overall effect is that of a light, ethereal sketch or a digital art piece.

## Appendix 1 Accounts payable performance

### Accounts paid on time each quarter

Quarter	Current \$000	Less than 30 days overdue \$000	30-60 days overdue \$000	60-90 days overdue \$000	More than 90 days overdue \$000	Total \$000
September Quarter	624,820	106,217	13,635	4,536	2,702	751,910
December Quarter	774,384	123,856	11,582	2,579	3,262	915,663
March Quarter	732,820	98,250	10,670	5,137	5,940	852,817
June Quarter	836,221	30,820	8,416	3,109	3,730	882,296

### Percentage paid on time within each quarter

Quarter	Target %	Actual %	Paid on Time \$000	Total Paid \$000
September Quarter	85	83.1	624,820	751,910
December Quarter	85	84.6	774,384	915,662
March Quarter	85	85.9	732,820	852,816
June Quarter	85	94.8	836,221	882,297

## Appendix 2 Annual report preparation

The Commerce annual report was produced in-house. Print and production costs were \$3,796. The report is available online at [www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au)

## Appendix 3 Australian Centre for Advanced Computing and Communications (ac3)

The mission of Australian Centre for Advanced Computing and Communications (ac3) is to provide managed IT services for the information and communications technology (ICT) needs of government agencies and the university research community in New South Wales.

### Functions of ac3

- provide secure data centre facilities, located at the Australian Technology Park in Eveleigh, and at Global Switch in Ultimo
- to provide competitive facilities for use by commercial clients, including government agencies, for the hosting and management of computing and network equipment.
- to provide high-speed communications to the Internet and access to the NSW Government's Broadband Service
- to provide centralised support for shared university supercomputing activities.
- to offer a range of locally sourced products and services over the Internet to external commercial clients.

### Aims and objectives

- to become the preferred location for companies and government agencies requiring full professional services for the management of computing servers and networks
- to provide the underlying computing and network infrastructure for the support of the research community in NSW

- to survive on commercially generated revenues and participate in Commonwealth grant schemes as required by the University partners.

### Structure of ac3

The Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) was registered as a proprietary company limited by shares under the Corporations Act on 10 November 2000.

Currently the NSW Government Telecommunications Authority holds 57 per cent of the shares in the company on behalf of the NSW Government, with the remaining 43 per cent being held by eight NSW universities.

ac3 has its own staff and reports to a Board of 11 Directors who represent the owners of the company.

### Administration

The company's staff manages the day to day operations of the company.

### Contacting ac3

Bay 9, Locomotive Workshop  
 Australian Technology Park  
 Eveleigh, Sydney  
 Tel: (02) 9209 4600;  
 Email: info@ac3.com.au

## Appendix 4 Committees and Boards

Key to representation: (c) Chairperson; (m) Member; (t) Trustee (vp) Vice president

### Director -General

#### Commerce

- Commerce Executive (c)
- State Contracts Control Board (c)
- Building Industry Co-ordination Committee (c)
- Cleaning Contracts Steering Committee (c)
- NSW Government Licensing Project Steering Committee (c)
- Central Corporate Services Unit Management Board (m)
- Home Warranty Insurance Scheme Board (m)
- Risk and Audit Committee (m)

#### External

- Sustainability in Government CEO's Committee (c)
- Aboriginal Communities Development Program Steering Committee (m)
- Australian Procurement and Construction Council, Council of Chief Executives (m)
- Chief Executive Committee (m)
- Chief Executive Officers Economic and Business Cluster (m)
- Chief Executive Officers Network (m)
- Chief Executives Counter Terrorism Co-ordinating Group (m)
- Council on Cost and Quality of Government (m)
- Festival Development Board (until 1 August 2008) (m)
- Government Asset Management Committee (m)
- Greenhouse CEOs Committee (m)
- Industrial Relations Steering Committee (m)
- Industrial Capability Network (m)
- Metropolitan Water CEOs Committee (m)
- Metropolitan CEOs Group (m)
- Small Business Regulation Review Taskforce (m)

**Abolished in 2006/07**

- Government Licensing Project Contract Management Sub-Committee (c) – closed approx. January 2007
- Hunter Estuary Issues Steering Committee - Transferred to State Property Authority – director-General Commerce was a member up to 31/08/2006
- Perisher Taskforce – Transferred to State Property Authority – Director-General Commerce was a member up to 31/08/2006

**Corporate**

- Interagency Standing Committee on Disability - Elizabeth Zealand (m) (to 15 June 2007)

**Office of Fair Trading**

- Acceptable Standards of Domestic Construction Committee – Paul Dengate (m)
- Anti-Graffiti Action Team – Rod Stowe (m) Diana Holy (m)
- Australasian Consumer Fraud Taskforce – Andrew Wilson (m) Jenny Waldie (m) Malcolm Finger (m)
- Australia New Zealand Reciprocity Association – Barbara Fernandez (m)
- Builders Licensing Australasia - Steve Griffin (c) Barbara Fernandez (m)
- Building and Construction Council (BACC) - Steve Griffin (m)
- Building Industry Co-ordination Committee - Rod Stowe (m) Steve Griffin (m) Dominic Wong (m)
- Business Information and Services Forum - Daniel Hornas (m)
- Central Coast Regional Coordination Management Group - Sean Lonergan (m)
- Real Estate Institute of NSW Liaison Committee Meeting - Lyn Baker (c)
- Business Information and Services Forum - Daniel Hornas (m)
- Cash Economy Regional Interagency Liaison Group – Tony Stanley (m)
- Council of Australian Governments (COAG) Action Group – Electrical Occupations – Barbara Fernandez (m)
- COAG Action Group – Plumbing Occupations – Barbara Fernandez (m)
- COAG Action Group – Builder, Carpenter, Bricklayer Occupations – Barbara Fernandez (m)
- COAG Action Group - Motor Mechanics Occupations - Tony Tarplee (m)
- Community Relations Commission Hornsby - Wyong Regional Advisory Council - Sean Lonergan (m)
- Community Relations Commission Northern Regional Advisory Council - Margaret Munro (m)
- Construction Industry Training Advisory Board - Barbara Fernandez (m)
- Consumer Products Advisory Committee - Brian Given (m) Steve Hutchison (m) Andrew Wilson (m)
- Co-operatives Council - Brian Given (c)
- Co-operative Housing & Starr-Bowkett Societies Standards Committee - Christine Gowland (m)
- Co-operative Housing Society Advisory Committee - Colin Crossland (c)
- Co-operatives National Working Party - Brian Given (c) Michael Bardsley (m) Jon Robinson (m)
- Customer Satisfaction Senior Officers Working Group – Andrew Gavrielatos (c)
- Electrical Regulatory Authorities Council - Steve Hutchison (m) Regina Haertsch (m)
- Fair Trading Advisory Council - Lyn Baker (m)
- Fair Trading Operations Advisory Committee (FTOAC) - Brian Given (m) Andrew Wilson (m) Malcolm Finger (m)
- Fire Protection Systems Working Party – Steve Griffin (m) Kel Nash (m)
- Gas Technical Regulators Committee – Steve Hutchison (m)
- Government Business Education Network - Jenny Waldie (m)
- Hazardous Chemicals Advisory Committee - Steve Hutchison (m)
- Health Claims Regulators Forum – Brian Given (m) Andrew Wilson (m)
- Home Building Advisory Council - Lyn Baker (m)
- Housing and Human Services Senior Officers Group - Susan Dixon (m)
- Hunter Regional Coordination Management Group - Paul Coles (m)
- Illawarra Regional Coordination Management Group - Christine Ambs (m)
- Inbound Tourism Quality Compliance Taskforce - Malcolm Finger (m)

- Inter-departmental Committee on Consumer Protection and the NSW Funeral Industry – David Brett (m)
- Korea Tourism Reference Group - Malcolm Finger (m)
- Ministerial Council on Consumer Affairs (MCCA)/Standing Committee of Attorneys General Residential Tenancy Databases Working Party - Diana Holy (m)
- MCCA Working Party on Consumer Policy - Susan Dixon (m)
- Motor Vehicle Industry Advisory Council - Lyn Baker (m)
- National Finance/Mortgage Brokers Working Group - Margaret Raffan (c)
- National Plumbing Regulators Forum – Barbara Fernandez (m)
- National Trade Measurement Working Group - Brian Given (c)
- National Indigenous Consumer Strategy Reference Group – Paul Coles (m)
- North Coast Regional Coordination Management Group - Marilyn Richmond (m)
- NSW Car Theft Action Group - Tony Tarplee (m)
- NSW Financial Counselling Trust Fund - Michael Silk (t) Mark Travers (m)
- NSW Government Channels and Access Strategy Service Delivery Working Group – Carlene Colahan (m)
- NSW Government Contact Centre Network – Carlene Colahan (c)
- NSW Government Licensing Project Steering Committee - Lyn Baker (m)
- Partnership Against Homelessness Sub-Committee - Susan Dixon (m)
- Personal Property Securities Reform Consultative Committee – Merilyn Betty (m)
- Planning for Later Life Forum – Rama Ramakrishnan (m)
- Poisons Advisory Committee - Steve Hutchison (m)
- Products Safety Committee - David Catt (c) Steve Hutchison (m)
- Property Services Advisory Council - Lyn Baker (m)
- Property Services Industry Training Advisory Board - Property Committee - Barbara Fernandez (m)
- Real Estate Institute of NSW Liaison Committee Meeting - Lyn Baker (c)
- Rental Bond Board - Lyn Baker (c)
- Retirement Village Advisory Council - Lyn Baker (m)
- Riverina Murray Regional Coordination Management Group - Jan Malone (m)
- Standing Committee of Officials of Consumer Affairs (SCOCA) - Lyn Baker (m)
- SCOCA Core National Trade Measurement Legislation Working Group - Brian Given (m) Graham Monday (m)
- SCOCA Estate Agents Harmonisation Project – Dominic Wong (m)
- SCOCA Property Investment Advice Working Party - Dominic Wong (m)
- SCOCA Unfair Contracts Working Party – Diana Holy (m)
- Standards & Tolerances Guide Review Committee - Paul Dengate (m) Kel Nash (m)
- Trade Measurement Advisory Committee - Brian Given (m) Andrew Wilson (m) Steve Hutchison (m) Graham Monday (m)
- SCOCA Working Party Travel Agents Regulatory Scheme Review – Brian Given (c)
- Uniform Consumer Credit Code Management Committee - Margaret Raffan (m)
- Western Area Regional Coordination Management Group – Kerrie Smith (m)
- Western Sydney Regional Coordination Management Group – Veronica Dening (m)

### **Office of Industrial Relations**

- Law Society of New South Wales, Employment Law Committee - Lolita Kepars (m)
- NSW Influenza Pandemic Taskforce - Suzanne Ashby (m) This inter-Departmental Taskforce was established by the NSW Premier's Department during the reporting year to consider the potential economic, social and community impacts of an avian influenza pandemic, identify and clarify whole of government issues and develop appropriate government agency responses.
- Children at Work Taskforce – Catherine Quealey (m). This taskforce is chaired by the Commissioner for Children & Young People and was set up to address the issues raised in the Commission's report on the working experiences of children, Children at Work. The Taskforce included members from business organisations, state government agencies and representatives from young people's organisations and has developed recommendations to improve children's working lives for the Commissioner.
- NSW Cash Economy Working Group – Stephen Hampson (m) This working group is chaired by Centrelink, and members are drawn from NSW and federal compliance agencies.

- NSW Skills Council – Pat Manser (m), Suzanne Ashby (m)
- NSW Government Industrial Relations Steering Committee – Pat Manser (m)
- Workplace Research Centre Advisory Board – Pat Manser (m)

#### **Committee suspended in 2006/07**

- NSW Industrial Relations System Steering Committee - Pat Manser (c), Lolita Kepars (m), Rebekah Stevens (m). This inter-departmental steering committee was established by Cabinet in December 2004 to oversee the New South Wales Government's response to the federal government's industrial relations changes. In May 2007, Cabinet approved the suspension of this Committee in the wake of the High Court's decision that the federal changes were constitutionally valid.

#### **Office of Public Works and Services**

- ANZAC Memorial's Board of Trustees - Bruce Pettman (Honorary Architect)
- Australian Water Association Ozwater 2007 Convention Organising Committee - Will Strachan (c)
- Australian Water Association NSW Branch - Annalisa Contos, President (c)
- Australian Water Association Water Recycling Forum - John Anderson (m)
- Central Corporate Services Unit Management Board - Michael Coutts-Trotter (m), Dr Kerry Schott (m), Jan McClelland (C)
- Centennial Parklands Design Review Panel - Peter Mould (m)
- Central Sydney Planning Committee - Peter Mould (m) Margaret Petrykowski (Alternate Member)
- Dams Safety Committee - Brian Cooper (m & Ministerial Representative)
- Dams Safety Committee, Hydrology Sub Committee - Peter Cloke (m)
- Department of Education and Training Facilities Standards Committee - John Zahn (m) Cecilia Wilson (m)
- Fish Passage Reference Group (for Murray Darling Basin Commission) - Brian Cooper (m)
- Human Service Network (HSNet) Management Committee - Paul Campbell (m), Maree Callian (m)
- Hunter Estuary Issues Steering Committee - Michael Coutts-Trotter (m) Alan Marsh (m) John Davidson (m)
- Interagency Riparian Boundary Working Committee – Sarah Hesse (m)
- International Water Association's Specialist Group on Water Re-use - John Anderson (m)
- Mines Subsidence Board - Phil Carter (m & Ministerial Representative)
- National Engineering Registration Board – Will Strachan (NSW & Ministerial Representative)
- NSW Fluoridation Technical Committee - Allan Li (m)
- NSW Heritage Council - Peter Mould (m) Bruce Pettman (Deputy)
- Perisher Taskforce - Michael Coutts-Trotter (m) John Davidson (m)
- Permanent Committee on Tides and Mean Sea Level - – Paul Murphy (m)
- Royal Australian Institute of Architects NSW - Peter Poulet (Chapter Councilor)
- Royal Australian Institute of Architects NSW - Education Committee Peter Poulet (m)
- Royal Australian Institute of Architects NSW - Environment Committee Peter Poulet (m)
- Road Transport Authority Bridge Urban Design Panel - Peter Mould (m)
- Standards Australia Committee AS3700 - Vijay Badhwar (m)
- Standards Australia Committee BD-004 - Vijay Badhwar (m)
- Standards Australia Committee BD-26 - Ram Singh (m)
- State Emergency Management Committee, Avian Influenza Subcommittee - David Wilkins (m)
- Survey and Mapping Advisory Committee - Greg Mcllwaine (m)
- Sydney Harbour Design Review Panel - Peter Mould (c)
- Sydney Olympic Park Authority Design Review Panel - Peter Mould (c)
- Sydney Opera House Trust Conservation Council - Peter Mould (m)
- Walsh Bay Project Finance Steering Committee - (m) John Davidson

#### **Became member of committee in 2006/07**

- Australian National Committee on Large Dams – John Lenehan (m)
- Bureau of Meteorology Marine Consultative Committee - Mark Kulmar (m)
- Metropolitan Water CEO's Committee - Will Strachan [representing Director-General]

- NSW Water Solutions Advisory Board – Alan Marsh (c) Will Strachan (m)
- State Emergency Management Committee - Rick Still (m)
- University of Sydney's Civil Engineering Foundation – Will Strachan (governor)
- AusHeritage -Bruce Pettman (m)
- Australian Institute of Quantity Surveyors National Education Committee - Vincent Shaw (m)
- Australian Institute of Quantity Surveyors Journal Management Committee - Vincent Shaw (m)
- Australian Institute of Quantity Surveyors, NSW Current Construction Costs Committee - Vincent Shaw (m)
- BEDP Action Agenda - Peter Mould (m)
- Building Regulation Advisory Committee (BRAC) - Philip Rose (m)
- buildingSMART – International Alliance for Interoperability - Peter Poulet (m)
- Capital Infrastructure Committee - Peter Poulet (m)
- City of Sydney Design Advisory Panel - Peter Mould (m)
- Clean Air, Healthy Communities Environment Trust Sub Committee - Michael Wright (m)
- Illawarra District Emergency Management Committee - Craig Summerhayes (m)
- National Committee on Construction Engineering, Engineers Australia - Ashok Verma (m)
- NSW Architects Registration Board - Peter Mould (VP), Peter Poulet (Alternate Member)
- NSW Heritage Council, Technical Advisory Group - Bruce Pettman (c)
- NSW Heritage Council, Approvals Committee - Peter Mould (m)
- Queens Square Law Courts Design Review Panel - Peter Mould (c)
- Royal Australian Institute of Architects National Integrated Practice Taskforce - Peter Mould (m)
- Royal Australian Institute of Architects Archvision - Peter Mould (m)
- Royal Australian Institute of Architects NSW - Heritage Committee -Mary Knaggs (m)
- Road Transport Authority Bridge Urban Design Expert Register - Peter Mould (m)
- Road Transport Authority Judging Panel (Design/Sustainability) - Peter Mould (m)
- Standards Australia Committee - AS3003 Electrical Installations - Patient areas of hospitals, Standards Australia Committee - AS3700 Masonry Code of Australia Vijay Badhwar (m)
- Standards Australia Committee - BD-004 Earthquakes Standards Vijay Badhwar (m)
- Standards Australia Committee - BD-98 Clay and Masonry Pavers Ram Singh (m)
- StateFleet Advisory Board – Alan Marsh (m), Michael Wright (m), Kim Di Leva (m)
- Medical and dental practices, other healthcare facilities and dialyzing locations
- Sustainability in Government Working Group - Roy Craddock (m)
- Sutherland Independent Hearing Assessment Panel - Helen Lochhead (m)

#### **Committees abolished or no longer members in 2006/07**

- Cleaning Contracts Steering Committee - Michael Coutts- Trotter (c), Alan Marsh (m), Christine Wong (m)
- Architects Registration Board of NSW - Peter Mould (m) Peter Poulet (Alternate Member)
- State Emergency Management Committee, Urban Search and Rescue Subcommittee - David Wilkins (m)
- Urban Design Advisory Committee - Peter Mould (m)
- Department of Education and Training/Department of Commerce Program Review Committee - John Zahn (m) Dale Lynch (m) Julie Paton (m) Amy Morgan (m) John Bourke (m)
- Department of Education and Training Maintenance Steering Committee - Alan Marsh (m) Brian Baker (m) Christine Wong (m) John Zahn (m)

#### **NSW Procurement**

- Australian Procurement and Construction Council – Paul Hopkins (m)
- Australian Procurement and Construction Council Skill Action Team) – Gerry Brus (m)
- Construction Agency Coordination Committee – Gerry Brus (c)
- Major Capital Works Advisory Committee (Health) – Paul Hopkins (m) Gerry Brus (m)
- Microsoft Service Provision Fund Steering Committee – Anthony Solano (m)
- National Taskforce for Supply Chain Reform – Mark Davis (m)
- Senior Officers Committee – Gerry Brus (m) Paul Hopkins (m)
- State Contracts Control Board – Alan Marsh (c) Paul Hopkins (alternate Chair)
- The Chartered Institute of Purchasing & Supply Australia – Paul Hopkins (m) Gerry Brus (m)

- Australian Procurement and Construction Council's Cross Jurisdictional Collaborative Benchmarking Programme in Procurement of Capital works, Goods & Services and ICT – Inderjeet Singh (c)
- Action Teams:
  - Working Group for Capital Works Procurement Benchmarking – Inderjeet Singh (c), David Green (m)
  - Working Group for Goods & Services Procurement Benchmarking – Inderjeet Singh (c), Anthony Solano (m)
  - Working Group for ICT Procurement Benchmarking – Inderjeet Singh (c), Anthony Solano (m)
- Commerce Strategic Sourcing Committee – Graham Chalker (m)
- Construction Procurement Reference Group – Gerry Brus (c)
- Department of Ageing, Disability and Home Care Strategic Sourcing Committee – Graham Chalker (m); Richard Jacobs (m)
- Department of Education and Training Strategic Sourcing Steering Committee – Ken Dixon (c), Peter Dowling (m)
- eProcurement Executive Forum - attended by Chantelle Adams (c), Luke Kenny (m), Jon Doyle (m), Neil Brosnan (m), Geoff Short (m), Mat Ying (m), Jon Perrett (m), Bronwyn Challis (m), Fenella Fields (m)
- NSW Health eProcurement Steering Committee - Chantelle Adams (m) Luke Kenny (m) Neil Brosnan (m) Tim Davy(m)
- NSW Health Procurement Advisory Council – Paul Hopkins (m)
- NSW Health Strategic Sourcing Committee - Graham Chalker (m); Richard Jacobs (m)
- NSW Meals on Wheels Association Food Services Working Party – Bruce Maltman (m); Peter Dowling (m)
- smartbuy® Client User Forum - Luke Kenny (m), Jon Doyle (m), Neil Brosnan (m), Geoff Short (m), Mat Ying (m), Jon Perrett (m), Bronwyn Challis (m), Fenella Fields (m)
- smartbuy® Supplier Forum - Luke Kenny (m), Jon Doyle (m), Neil Brosnan (m), Geoff Short (m), Mat Ying (m), Jon Perrett (m), Bronwyn Challis (m), Fenella Fields (m)
- Sydney Water Steering Committee – Peter Dowling (advisor)
- Railcorp Steering Committee – Peter Dowling (advisor)

### **Government Chief Information Office**

- State Emergency Management Committee – Tony Gates (m)
- Shared Services Interjurisdictional User Group - Michael Lurie (Member)
- Senior Officers Wireless Working Party – Tony Gates (c)
- SAP User Group - Michael Lurie (m), Charo Devery (m), Mark Goleby (m)
- Records & Document Management User Group - Flavian De Silva (m)
- Online Council Officials Meeting – Paul Edgecumbe/Colin Griffith (m)
- Online Council Integrated Transactions Reference Group – Ken Bullock (m) - abolished Feb 2007
- NSW Police Mainframe Replacement Program Core Policing Project Steering Committee – Catherine Hanly (m), Alan Patterson (m)
- NSW Govt. Business Education Network – Natasha Scully (m)
- NSW Government Licensing Project Steering Committee – Paul Edgecumbe/Colin Griffith (m), Lyn Baker (m)
- National Information Management Advisory Group – Tony Gates (m)
- National Coordinating Committee for Government Radiocommunications - Tony Gates (Voting Delegate), Phil Read (Non- Voting Delegate)
- National Broadband Strategy Implementation Group – Colin Griffith (m)
- Microsoft Service Provision Fund Steering Committee – Paul Edgecumbe/Colin Griffith (m)
- Identity Crime Working Group – Nigel Evans (m)
- Human Services Access Framework Senior Officer Group – Phil Tout (m), Linda Chin (m)
- Government Telecommunications Agreements - Contracts Management Committee - Paul Hopkins (c) Paul Edgecumbe (m), Colin Griffith (m)
- Government Radio Network Users Group - Tim Jensen (Telstra (c)), Paul Barnes (m), Philip Dahdouh (m), Tony Shaw (m)
- Government Licensing Project Contract Management Committee - Paul Edgecumbe/Colin Griffith (m), Mahajan Padmanathan (m), Liz Mathew (m)
- Enterprise Project Management User Group - Flavian De Silva (m)

- Domain Consultative Committee Australian Government Information Management Office (Federal Government) – Trevor Waters (m)
- Department of Natural Resources SAP Quality Assurance Committee - Mark Goleby (m)
- Department of Juvenile Justice IM&CT Steering Committee – Bill Butler (m)
- Customer Services Hub Project Board – Paul Edgecumbe/Colin Griffith (m)
- Customer Interface Management Web Policy Committee - Tony Gates (m)
- Cross-Jurisdictional Reference Group – Australians' Use of and Satisfaction with e-Government Services – Linda Chin (m)
- Cross-Jurisdictional Interoperability Working Group - Michael Easthope (m) - established Feb 2007
- Cross Jurisdictional Chief Information Officers Online Council Sub-Group – Paul Edgecumbe/Colin Griffith (m)
- Cross Jurisdictional Chief Information Officers Enterprise Architecture Working Group – Michael Easthope (m) - abolished Feb 2007
- Cross Jurisdictional Chief Information Officer's Committee Working Group on Authentication (this is a Commonwealth group) – Nigel Evans (m)
- Cross Jurisdictional Chief Information Officers Committee – Paul Edgecumbe/Colin Griffith (m)
- CPA Technical Centre of Excellence Committee – Michael Lurie (m)
- Chief Information Officers' Executive Council – Paul Edgecumbe/Colin Griffith (c)
- Channels and Access Strategy Senior Officers Group – Paul Edgecumbe (to May 07)/Colin Griffith (c), Linda Chin (m), Phil Tout (m)
- Channels and Access Service Delivery Working Group - Linda Chin (m)
- Business Intelligence User Group - Flavian De Silva (m)
- Broadband Management Committee – Paul Hopkins (c) Paul Edgecumbe/Colin Griffith (m)
- Australian Centre for Advanced Computing & Communications (ac3) Management Sub-Committee – Paul Edgecumbe/Colin Griffith (m)
- Australian Centre for Advanced Computing & Communications (ac3) Board – Paul Edgecumbe/Colin Griffith (m)
- Australian Centre for Advanced Computing & Communications (ac3) Audit Committee – Paul Edgecumbe/Colin Griffith (m)
- AusDIN Work Group - Steve Smith (m - chair from 5 July 07)
- AusDIN Portal Group – Steve Smith (m - chair from 5 July 07)
- Ambulance Radio/Data Taskforce - Paul Barnes (m), Stephen Smith (m), - disbanded
- Activity Based Costing Working Group - Michale Lurie (m)
- ABS Steering Committee – Jan Aalders (m)

#### **Committees abolished in 2006/07**

- (Police) Computer Aided Dispatch Steering Committee – Tony Gates (m)

#### **Chief Information Officers' Council Working Groups**

The CIO Executive Council in collaboration and partnership with GCIO has established working groups to implement the People First programs of work. The working groups are comprised of GCIO staff and representatives from a variety of NSW government agencies who take a government-wide view while maintaining accountability for specific programs and operations in their own agencies.

- Front-line and Line of Business Service Delivery
- Back Office Applications Consolidation
- Front-line Service Delivery
- Line-of Business Service Delivery
- BOAC Steering Committee
- GSAS Steering Committee
- Channels and Access (eGovernment)
- Customer Interaction Hub
- Customer Services Hub
- Authentication and Security
- Shared and Federated Client Authentication
- Information Security
- Information Management
- Emergency Information Management
- Telecommunications

- Telecommunications Convergence
- Broadband Services
- Radio Communications
- ICT Infrastructure
- Internet Gateway
- Agency Infrastructure Consolidation
- Standard Operating Environment
- ICT Procurement
- ICT Procurement/Strategic Sourcing
- Strategic Governance Framework
- Strategic Governance

### **State Records**

- Appraisal Working Group, International Council on Archives Section on Professional Standards and Best Practice - Cassandra Findlay (m)
- Australian Dictionary of Biography – Alan Ventress (NSW Working Party Member)
- Australian Military History Scholarships Judging Panel – Alan Ventress (m)
- Australian Society of Archivists – Catherine Robinson (President until 19 October 2006, then Vice President)
- Australian Society of Archivists Awards Committee – David Roberts (m)
- Australian Society of Archivists Electronic Records Special Interest Group – Cassandra Findlay (Convenor)
- Australian Society of Archivists Indigenous Issues Special Interest Group – Kirsten Thorpe (Convenor)
- Australian Society of Archivists Mander Jones Awards Committee – Cassandra Findlay (Secretary)
- Australian Society of Archivists Reference, Access and Public Programs Special Interest Group (RAPPSIG) – Christine Yeats (Newsletter Editor)
- Australian Women's Archives Project – Christine Yeats (Sydney Joint Committee Member)
- CAARA Reference and Public Access Working Group – Christine Yeats (Convenor)
- Dictionary of Sydney – Alan Ventress (m)
- Geographical Names Board of NSW – Alan Ventress (m)
- Henry Parkes Foundation – Alan Ventress (c)
- History Council of NSW – Christine Yeats (m)
- International Conference on the History of Records and Archives Program Committee – Kirsten Thorpe (m)
- Macquarie 2010 Committee – Alan Ventress (m)
- Premier's Westfield History Scholarships Judging Panel – Christine Yeats (m)
- Royal Australian Historical Society Alan Ventress (Vice President)
- Standards Australia's IT21 Records Management Committee – Amanda Barber (m)
- Standards Australia IT21/07 sub-committee on Recordkeeping Metadata – Tony Leviston (m)
- Standards Australia IT21/09 sub-committee on Records Classification – Catherine Robinson (m)
- Standards Australia IT21/10 sub-committee on Records Storage – Catherine Robinson (m)
- University of Western Sydney Arts External Advisory Committee – Alan Ventress (m)
- 2007 NSW Premier's History Prize Judging Panel – Emma Harris (m)

## Appendix 5 Consultants

### Engagements over \$30,000

Consultant	Office	Category	Purpose	Expenditure \$
Stenning & Associates	Office of Fair Trading	Legislative Review	Review of professional development requirements of Home Building Act and Property Stock & Station Agents Act	34,805
Doll Martin Associates Pty Ltd.	Office of Fair Trading	Information Technology	Strategic review in preparation for renewal of business applications including options to consolidate shared IT systems and infrastructure	33,000
Join The Dots Pty Ltd	Office of NSW Procurement	Organisational Review	Implementation of change management program	58,913
Gale Planning Group Pty Ltd	Office of NSW Procurement	Organisational Review	Review of State Contracts Control Board savings to government	38,000
EvansCorp Pty Ltd	Office of NSW Procurement	Information Technology	Review of project estimating database	31,865
<b>Total engagements over \$30,000</b>				<b>\$196,583</b>

### Engagements under \$30,000

Office	Category	\$
Corporate Services and Review	Organisational Review	2,082
Office of Fair Trading	Organisational Review	6,750
<b>Total engagements under \$30,000</b>		<b>\$8,832</b>
<b>Total cost of consultancies</b>		<b>\$205,415</b>

## Appendix 6 Consumer response

### Office of Fair Trading

OFT's service delivery standards vary with the nature of the services provided in different divisions of the Office and are set out in the Customer Service Standards. During the year, the various standards were met in most areas. However, there were delays on occasion for some high-volume, high-demand telephone services. OFT operates a customer feedback system, known as 'Your Opinion Counts', providing forms that can be lodged at a counter or through the mail or website.

In 2006/07, a total of 268 forms were lodged by consumers and traders which comprised 131 compliments and 137 complaints. Compliments, which constituted 49 per cent of the forms lodged, expressed praise for various aspects of customer service, especially staff helpfulness and professionalism. The 137 complaints, which constituted 51 per cent of forms lodged, were reviewed and addressed through a process overseen by senior management.

**The complaints related to:**

Service delays	19%	Accuracy of information given	18%
Actions of staff	16%	Other/Misc	47%

**Office of Industrial Relations**

OIR has integrated its complaint handling system into its policies and procedures. This enables people using the OIR's services to understand and be aware of avenues to raise concerns about the quality and timeliness of these services. At all major stages of its services, the OIR provides clients with information about avenues of appeal against decisions made by the Office.

Through the Commerce Results and Services Plan, OIR has a range of performance standards for the delivery of its major services. During 2006/07, the Office met or exceeded all of these performance targets.

In June 2007, an independent company conducted a survey of the OIR's customers, which showed the following results:

**Percentage of customers either satisfied or very satisfied with:**

OIR's overall quality of service	90%	Responsiveness of OIR staff	92%
Knowledge of OIR staff	89%	Staff's knowledge of subject	90%

**Office of Public Works and Services****Central Corporate Services Unit**

Central Corporate Services Unit (CCSU) monitors client satisfaction in many ways, including through conducting an annual client satisfaction survey. In 2007, 93.5 per cent of the respondents rated the overall CCSU performance as "average or better" and 31.5 per cent of respondents indicated that CCSU services had improved in the past 12 months.

**NSW Water Solutions**

Each calendar year NSW Water Solutions and Project Management conduct surveys on projects with external clients.

NSW Water Solutions clients indicated a high overall score across 25 survey questions with an average result of 82.6 per cent from 40 surveys. This result coupled with a high level of repeat business is indicative of a good level of customer satisfaction.

**Project Management**

Clients reported improved and high levels of satisfaction with Project Management's performance across almost all key service attributes including management of project risks, understanding and meeting client needs, and quality of staff. Client satisfaction with Project Management services continued to improve and the overall satisfaction score of 83.5 per cent in the 89 surveys was higher than the target of 80 per cent and higher than scores in the previous three surveys.

**Government Architect's Office**

The Government Architect's Office (GAO) conducts client satisfaction surveys each year. Surveys were undertaken in 2006/07 to measure client's satisfaction with GAO's provision of strategic advice, heritage advice and services, and projects undertaken by the Office. Clients reported high levels of satisfaction rating overall satisfaction on these indicators as 91 per cent, 87 per cent and 80 per cent respectively.

## NSW Procurement

### Government Chief Information Office

The Government Chief Information Office manages a number of web applications and information sites. More information is available in Appendix 8 Electronic service delivery

#### ServiceNSW

Visitors to the government portal, ServiceNSW, expressed satisfaction with its ease of navigation and good search facilities.

One visitor, the Channel Manager for the Arts, Sports and Recreation channel of the City of Hamilton Portal in Hamilton, Ontario, Canada, wrote on 16 July 2006 that "The New South Wales portal has been recognised here as a model service, and prior to my taking this position, the AS&R channel remodelled itself along lines felt to be in tune with what you have accomplished."

### NSW Government Directory

The NSW Government Directory received many favourable comments during the year with one user saying that "I am anything but an expert on [the] computer but I found it all came together quite easily."

#### Channel NSW

Channel NSW, broadcast digitally, is available to viewers in the Sydney Metropolitan area and correspondence from viewers reflected a range of interests and concerns.

The inability to receive broadcasts in rural areas was noted by two viewers "Can you tell me why channel 45 is only broadcast in Sydney? My father lives on the south coast and cannot receive it which seems strange as this channel is supposed to be for NSW and contains a lot of information that would be rather useful to him."

The Department of Education and Training (DET) is one of the agencies providing content and participating in the trial, and Raju Varanasi, General Manager Centre for Learning Innovation, DET, said that "In my view the Channel NSW is at the centre of a paradigm shift that promises to broaden access to government information for the citizens of NSW."

#### GCIO Website

The GCIO website ([info\\_gcio@commerce.nsw.gov.au](mailto:info_gcio@commerce.nsw.gov.au)) received 271 messages. Of these, there were four complaints - one about transfer of Community Technology Centre control and three about errors with website availability, all resolved directly with consumers.

#### Government Licensing Service website

Fifty one messages were received through the Government Licensing Service website ([feedback@licence.nsw.gov.au](mailto:feedback@licence.nsw.gov.au)). Of these, there were:

Thirty minor complaints:

- errors encountered with website eg browser incompatibility (16)
- usability of the website (7)
- other (7)

Seventeen general licensing enquiries

- These were generally resolved by the licensing agency concerned directly with website users.

Suggestions received that have since been implemented

- ABN site link
- date ordering (by recent transactions) display list

One compliment:

- "Brilliant website and online lottery permit application process. What a wonderful change compared to the requirements of Vic, SA & ACT for this process. It's very logical and well-explained and it actually works - Well done!"

## **eBusiness Solutions**

eBusiness Solutions received a compliment from Wyong Shire Council on the successful implementation of NSW eTendering in their organisation. Wyong Shire Council was very impressed with how intuitive and logical the eTendering system was, and was especially impressed with the training delivered by eBusiness Solutions Training.

Government organisations also commented favourably on the services provided by eBusiness Solutions. "...very pleased with Tender Management Services Ltd. It has resulted in a doubling of tender responses received" and "... very impressed with how intuitive and logical the eTendering system is."

Special mention was made of the support "...help desk is one of the best I have come across. Prompt, efficient and the request followed through to completion" and "Congratulations to your technical people. There were very few issues and they were very promptly addressed."

## **State Records website**

For State Records' Consumer Response refer to State Records Authority of New South Wales Annual Report 2006-07, Client and stakeholder relationships pp76-78.

## **Appendix 7 Credit card certification**

In accordance with Treasurer's Directions and Premier's Memoranda, the Director-General certified that credit card use during 2006/07 was in accordance with established Government requirements and practices.

This certification is qualified to the extent that detected instances of non-compliance with established departmental policies and procedures were considered as isolated and minor.

## **Appendix 8 Electronic Service Delivery**

### **Office of Fair Trading**

#### **REVS - Service Enhancement**

As part of its regular asset management program, REVS has been undertaking a major infrastructure upgrade project aimed at improving the performance, information integrity and availability of the REVS system. Full implementation in early 2008 will result in a major improvement to the system's availability by reducing downtime and providing a service which is generally available via the internet 24 hours a day, 7 days a week. Provision of stolen vehicle alerts via REVS is an important strategy in protecting the public and combating vehicle frauds such as 'rebirthing'. The NSW Police have been providing details of stolen vehicles for inclusion on the REVS database since it was established in 1986. Following an extensive data audit between REVS and NSW Police and an upgrade of the link between the two systems, manual downloads to REVS database were replaced by daily automated downloads in November 2006.

Automated downloads of stolen boat records commenced in December 2006. REVS now provides an internet facility which enables Fair Trading Centres to provide over-the-counter search certificates for vehicles and boats where customers can pay by cash or EFTPOS. This is an additional service to the telephone and internet currently provided for all REVS transactions. The service is scheduled for progressive implementation from August 2007, and is capable of being deployed at other sites, such as Government Access Centres. Enhancement to the REVS website has continued with the implementation of registration and search facilities for NSW Boats in July 2006. Both public and account clients are now able to conduct searches and purchase a REVS Certificate for NSW Boats via the REVS website. Account clients are also able to use this facility to register, vary and cancel boat encumbrances via the website.

#### **Major website review**

The Office of Fair Trading website is information rich and, since its last review in 2003, has outgrown its information structure, resulting in some difficulties for clients in locating information.

To improve access to Fair Trading information, a major review of the website commenced this year. By the review's completion in 2007/08, the website will provide an improved experience for clients in accessing information and will comply with the NSW Government Website Style Directive. A revised information structure has now been developed after an independent expert evaluation and after consultation with stakeholders across NSW. The consultations included consumers, traders and community workers in metropolitan and regional areas of the State, as well as significant representation from members of Indigenous and several culturally and linguistically different communities. The new structure will be tested with consumers and traders before being implemented.

## **Office of Industrial Relations**

The OIR website provides practical information to help employers and employees to access information about their workplace rights and entitlements.

### **E-business**

OIR has two innovative e-business services. *Compare What's Fair* allows the user to compare current award entitlements with a proposed Australian Workplace Agreement (AWA) for a typical working week. Employers and employees can use *Check Your Pay* to calculate wages and other entitlements under selected awards.

Our Email Updates service keeps subscribers up-to-date with new additions to the website. This is a valuable service for anyone wanting to keep in touch with developments in industrial relations in NSW; for example Pay Rate Updates provides the latest information on changes to NSW pay rates, award conditions and leave entitlements by email.

### **E-newsletters**

OIR produces two quarterly e-newsletters. *Your Workplace Online* provides information on awards, OIR inspector activities, workshops, key legislative changes, important test cases and other developments in industrial relations. *Work Smart* is our community newsletter disseminated to agencies interested in the employment rights of young people and people from culturally and linguistically diverse communities in NSW. As well as delivering information on workplace rights, it provides details of services and resources that will help vulnerable workers.

### **Look and Listen webcast services**

Our webcast services provide audio download and streaming audio and video presentations of OIR information in a range of formats including MP3 download.

### **Young people at Work website**

A new website has been developed specifically for young workers outlining their basic workplace rights and entitlements and providing practical information to help them find and keep a job. The attractive and easy to understand website is set up in three segments reflecting the work lifecycle - looking for work, got the job and leaving the job.

## **Office of Public Works and Services**

### **StateFleet Online**

StateFleet installed Bynx, a new fleet management system. Bynx replaces Ausfleet, which is now 15 years old and has critical deficiencies. Benefits of the Bynx system include:

- decreased risk of system failures occurring
- conformance to Commerce ICT objectives
- minimised risk across NSW Government in managing the fleet through better system functions
- the Bynx system will be fully implemented in 2007/08.

### **Survey and Spatial Information Services**

The Survey and Spatial Information Services (SASIS) has continued to provide the Sydney Harbour Foreshore Authority (SHFA) with expertise in computerised property asset

management. Using Google Earth, SASIS has developed a property information system that enables the SFHA's staff to access a graphical interface via the Internet to obtain plan and title information for all property assets held by the Authority.

SASIS continued its successful electronic delivery of building asset data for the Department of Education and Training.

### **Environmental water data**

Manly Hydraulics Laboratory (MHL) has been at the forefront of electronic delivery of environmental water data for the past decade. This year it continued to improve data delivery via the internet to local government and to transfer data in near real-time to the CSIRO and Bureau of Meteorology. This data is used in coastal zone flood and storm warnings and for the verification of the performance of ocean wave forecast models.

There has also been enhancement of data delivery with provision of flood information via voice (over the phone) along with SMS, fax and email media.

MHL has also provided a wind wave warning system that allows scenario modelling of the impact of wind waves to be examined via the internet.

### **Modelling software**

In the dam engineering field, NSW Water Solutions acquired a state-of-the-art capability with MIKE 21 Modelling software, which is a two-dimensional computer model for dam break and surface flow analysis. This capability very much improves our value to government and clients in the science and solutions for the design of headwork structures.

The pipeline design process has been improved by using a software package developed in-house, which allows transfer of field survey data directly to the design, minimising human errors and the time required for the design.

In Wastewater Services, a monitoring pilot project was initiated to confirm hydraulic parameters within sewage treatment plants, and their variation under varying operating conditions. This project will provide a better understanding of these parameters, which are critical in the designs undertaken by Commerce using steady state and dynamic modelling. This will maximise potential for optimisation of both the design and operation of treatment systems, with consequent cost savings for NSW communities.

MHL has been using a suit of hydrological and hydrodynamic numerical models for various investigations based mainly in the coastal and estuarine environment. A few of these projects include modelling the impact of water extraction on the salinity migration in estuaries, examining the impact of tidal variations on wetlands and optimising delivery of excess flood water into the Koondrook-Pericoota Forest (off the Murray River) via man-made channels.

In the area of Surveying and Spatial Information Services, pressure pipeline design software was developed to provide a digital interface between the surveyors' field instruments through to the final pipeline design and construction drawings. The process can now be applied to conceptual pipeline design from digital terrain data collected using aerial laser scanning technology. The accuracy of the terrain data enables a more accurate assessment of various pipeline routes and estimation of quantities.

### **NSW Procurement**

NSW Procurement delivered a number of innovative services through electronic channels for government agencies, industry and community, summarised below:

#### **Contracting Services**

The Online Management Fee portal was implemented on 24 May 2007 giving vendors a new channel to lodge their management fee returns. Two hundred and five vendors have registered to lodge the online returns, representing 19 per cent of total vendors. Registration and usage monitoring of the new channel is underway.

## eBusiness

A trial was begun to reduce the time taken to update State Contract Control Board catalogues administered by Contracting Services to smartbuy®. The trial targeted time reductions of up to 50 per cent and results from it showed a timeframe reduced from an average of 43.8 days to an average of 12.7 days. Improving the currency and quality of the State Contracts Control Board catalogue content will help to increase use of contracts as well as the credibility of smartbuy®.

Electronic Request for Quote (eRFQ) is currently in the development phase. Delivery of eRFQ will provide our clients with the ability to use smartbuy® TRADE as a sourcing tool to request quotes from multiple suppliers, evaluate and raise requisitions and purchase orders all electronically. Commerce and RailCorp have already signed on to use the new eRFQ function. The expected go-live date is July 2007.

Updating of the greenbuy catalogue has been completed, with environmentally friendly and sustainable attributes product information from suppliers being placed on the smartbuy® CONTENT greenbuy catalogues.

eBusiness Solutions Training have released a new simulated training tool for clients. This new eLearning solution is currently in use for Supplier eLearning. Simulated demonstrations will be progressively rolled out to all eLearning training programs for clients, covering buyers and suppliers for smartbuy® and NSW eTendering solutions. View the new eLearning tool on the smartbuy® website at [www.smartbuy.nsw.gov.au/suppliers-training.html](http://www.smartbuy.nsw.gov.au/suppliers-training.html).

eBusiness Solutions have launched an Agency Specific Savings Calculator to RailCorp. The savings calculator delivers monitors and reports savings they have achieved through the use of eProcurement solutions.

## Communications and Advertising

The online delivery of the *Public Sector Notices* took place in August 2006 without any significant difficulties for government agencies. The immediate delivery of the *Notices* was one of the key benefits of the online initiative and from November 2006, advertising lead time was reduced from two weeks to one.

## State Records

For State Records' Electronic Service Delivery refer to State Records Authority of New South Wales Annual Report 2006-07, The State archives collection is widely accessible to people and Government pp51-56.

## Government Chief Information Office

### Channel NSW

Channel NSW is a pilot service launched in March 2004 and broadcast in the Sydney metropolitan area on free-to-air digital television channel 45. The NSW Government is the first Australian government to explore using digital TV to provide government and public information.

Channel NSW provides viewers with a mix of up-to-date information (live video, text and graphical) on transport, environment, government notices, education, health, recreation and the arts. At June 2007, 88 State and Federal government agencies were providing content to the 24/7 service. Fifty-four video information programs were broadcast and 26 NSW government agency television commercials were regularly aired.

Channel NSW currently has a cumulative monthly audience of 305,000 viewers or one in five (20 per cent) of the current estimated 1.5 million Sydneysiders with free-to-air digital TV.

### ServiceNSW

The NSW Government portal, [www.nsw.gov.au](http://www.nsw.gov.au), is the community's one-stop entry point to NSW Government. ServiceNSW provides 24-hour access to government information and services.

In 2006/07, the site received over 4 million visits with over 8.2 million page views. On average, it receives over 366,000 visits per month. ACNielsen/NetRatings statistics indicate that the [nsw.gov.au](http://nsw.gov.au) domain is consistently the nation's most popular state government domain.

In 2006/07, ServiceNSW spotlighted over 250 announcements and events. The Communities sector was enhanced to include more detailed information about a wider range of subjects. A 'NSW Weather' page has also been included with a live data feed from the Bureau of Meteorology. The ServiceNSW search facility was enhanced to provide more accurate results and ensure better ranking of these results. The search also includes a NSW Government Custom Google catalogue that provides results for very detailed searches on specific topics.

### **NSW Government Directory**

The online NSW Government Directory continues to be a key resource for members of the public seeking information on the Premier, Ministers, Members of Parliament and key agency personnel. It lists Ministerial portfolios, including some 300 agencies and their business units.

During 2006/07, a complete review of the directory was completed with the assistance of the agencies. The directory was also redeveloped to improve the display and organisation of information. The directory now includes a very popular A-Z browse section, a powerful 'search' facility and a map facility providing visitors with the location of NSW government offices and business units.

### **shop.nsw**

shop.nsw provides an online 'one-stop-shop' for locating and acquiring NSW Government products and publications. Many publications can be downloaded or ordered free of charge. Secure online credit card payments are available, as are alternative methods of payment. In the financial year 2006/07, total sales through shop.nsw exceeded \$612,000. This total included \$123,004 in publication sales and \$489,037 in product sales.

Sixteen NSW government agencies are full participants, (selling publications/products online) and 47 agencies are electronic participants (links established to electronic publications on agency websites). Over 4,700 items are listed in the shop.nsw online catalogues.

### **Mobile Data Radio Service**

The Mobile Data Radio Service, run by Commerce, has now been operational for three years providing the Ambulance Service of NSW with mobile data dispatching. Ambulance vehicles receive incident information as a text message displayed on their mobile data terminal where it can be viewed and printed out if necessary. This Mobitex service was expanded to cover Newcastle and Wollongong in 2006/07 and a gateway between it and several commercial carriers' mobile data services is now operational, extending the service into the rural and regional areas of NSW. Mobitex is a low speed mobile data service suitable for simple emergency dispatch and text messaging.

### **Government Licensing System**

The key outcomes of the Government Licensing System are to simplify and improve the licensing process for businesses, professionals and individuals, and licensing agencies; offer online services via the internet as an additional option to enhanced counter, postal and telephone services and to deliver estimated savings of \$70 million over the project's life in forgone investment in infrastructure.

The Government Licensing System is designed to handle up to 4 million licence records across 19 agencies (currently using more than 40 different systems to administer around 300 different licence types); 800,000 annual renewals, 1000 internal system users and countless consumers, applicants and licensees.

In 2006/07, there were over 100,000 transactions on the new system, on behalf of three licensing agencies administering a total of 15 different types of licences, including 3,000 online transactions.

### **Security of Payment website**

The Security of Payment website provides information to the industry about the *Building and Construction Industry Security of Payment Act 1999*.

In 2006/07, the website was redeveloped to make it easier for contractors to access information on the claim and adjudication process, provide answers to frequently asked questions and to allow for quick adjudication of disputes over progress payments.

## Appendix 9 Freedom of Information

This Appendix provides additional statistical information about Freedom of Information (FOI). It should be read in conjunction with the more detailed FOI material in the Corporate Governance section.

### Statistical reports

The following statistical information complies with Appendix B of the FOI Manual.

#### Section A - Number of new FOI requests

Information relating to numbers of new requests received, those processed and those completed from the previous period.

FOI Requests	Personal		Other		Total	
	05/06	06/07	05/06	06/07	05/06	06/07
A1 New (including transferred in)	13	17	212	187	225	204
A2 Brought forward	1	2	29	15	30	17
A3 Total to be processed	14	19	241	202	255	221
A4 completed	12	18	187	166	199	184
A5 Transferred out	0	0	4	8	4	8
A6 withdrawn	0	1	35	13	35	14
A7 Total processed	12	19	226	187	238	206
A8 Unfinished (carried forward)	2	0	15	15	17	15

#### Section B - What happened to completed requests?

(Completed requests are those on Line A4)

Result of FOI request	Personal		Other		Total	
	05/06	06/07	05/06	06/07	05/06	06/07
B1 Granted in full	10	14	107	91	117	105
B2 Granted in part	2	3	45	40	47	43
B3 Refused	2	1	33	35	35	36
B4 Deferred	0	0	0	0	0	0
B5 Completed*	14	18	185	166	199	184

\*Note: The figures on Line B5 should be the same as the corresponding ones on A4.

#### Section C - Ministerial Certificates

Number issued during the period

	05/06	06/07
C1 Ministerial Certificates issued	0	0

**Section D - Formal consultations**

Number of requests requiring consultations (issued) and total number of formal consultation(s) for the period

	Issued		Total	
	05/06	06/07	05/06	06/07
D1 Number of requests requiring formal consultation(s)	102	316	121	312

**Section E - Amendment of personal records**

Number of requests for amendment during the period

Result of Amendment Request	Total	
	05/06	06/07
E1 Result of amendment – agreed	0	0
E2 Result of amendment – refused	0	1
E3 Total	0	1

**Section F - Notation of personal records**

Number of requests for notation processed during the period

	Total 05/06	Total 06/07
F3 Number of requests for notation	0	0

**Section G - FOI requests granted in part or refused**

Basis of disallowing access – Number of items each reason cited in relation to completed requests which were granted in part or refused

Basis for disallowing or restricting access	Personal		Other		Total
	05/06	06/07	05/06	06/07	06/07
G1 Section 19 (applic. Incomplete, wrongly directed)	0	0	0	1	1
G2 Section 22 (deposit not paid)	0	0	15	10	10
G3 Section 25(1)(a1) (diversion of resources)	0	0	0	1	1
G4 Section 25(1)(a) (exempt)	2	1	52	53	54
G5 Section 25(1)(b), (c), (d) (otherwise available)	0	0	0	2	2
G6 Section 28(1)(b) (documents not held)	2	0	11	10	10
G7 Section 24(2) – deemed refused, over 21 days	0	1	0	0	1
G8 Section 31(4) (released to Medical Practitioner)	0	0	0	0	0
G9 totals	4	2	78	77	79

**Section H - Costs and fees of requests processed during the period**

(i.e. those included in lines A4, A5 and A6)

	Assessed Costs		FOI Fees Received	
	05/06	06/07	05/06	06/07
H1 All completed requests	\$31,225	20,733	\$13,910	10,170

**Section I - Discounts allowed**

Numbers of FOI requests processed during the period\* where discounts were allowed

Type of Discount Allowed	Personal		Other		Total	
	05/06	06/07	05/06	06/07	05/06	06/07
I1 Public interest	0	0	0	0	0	0
I2 Financial hardship – Pensioner/Child	2	0	7	7	9	7
I3 Financial hardship – Non profit organisation	0	0	1	1	1	1
I4 Totals	2	0	8	0	10	8
I5 Significant correction of personal records	0	0	0	0	0	0

\*Note: Except for Item 15. Items 11, 12, 13 and 14 refer to requests processed as recorded in A7. For 15, however, show the actual number of requests for correction of records processed during the period.

**Section J - Days to process**

Number of completed requests (A4) by calendar days (elapsed time) taken to process

Elapsed Time	Personal		Other		Total	
	05/06	06/07	05/06	06/07	05/06	06/07
J1 0 - 21 days	8	14	110	82	118	96
J2 22 – 35 days	3	2	36	58	39	60
J3 Over 35 days	1	3	41	25	42	28
J4 Totals	12	19	187	165	199	184

**Section K - Processing time**

Number of completed requests (A4) by hours taken to process

Processing Hours	Personal		Other		Total	
	05/06	06/07	05/06	06/07	05/06	06/07
K1 0 – 10 hrs	11	17	159	123	170	140
K2 11 – 20 hrs	1	2	7	15	8	17
K3 21 – 40 hrs	0	0	12	20	12	20
K4 Over 40 hrs	0	0	9	7	9	7
K5 Totals	12	19	187	165	199	184

**Section L - Reviews and appeals**

Number finalised during the period

	05/06	06/07
L1 Number of internal reviews finalised	8	6
L2 Number of Ombudsman reviews	1	0
L3 Number of Administrative Decisions Tribunal appeals finalised	7	1

## Details of Internal Review Results – in relation to internal reviews finalised during the period

Bases of Internal Review	Personal 05/06		Personal 06/07		Other 05/06		Other 06/07	
	Upheld*	Varied*	Upheld*	Varied*	Upheld*	Varied*	Upheld*	Varied*
Grounds on which internal review requested								
L4 Access refused	0	0	0	0	0	1	6	0
L5 Deferred	0	0	0	0	0	0	0	0
L6 Exempt matter	0	0	0	0	5	2	0	0
L7 Unreasonable charges	0	0	0	0	0	0	0	0
L8 Charge unreasonably incurred	0	0	0	0	0	0	0	1
L9 Amendment refused	0	0	0	0	0	0	0	0
L10 Totals	0	0	0	0	5	3	6	1

Note\* Relates to whether or not the original agency decision was upheld or varied by the internal review

## Appendix 10 Funds granted to non-Government community organisations

### Government Chief Information Office

#### Australian Seniors Computer Association conference

GCIO sponsored the Australian Seniors Computer Association conference in September 2006 for \$4,000.

The conference featured a trade show and series of talks and presentations on ICT issues affecting seniors.

The conference saw record attendances and people came from many areas including country NSW, Melbourne, Canberra and Queensland.

#### About NSW

GCIO issued \$300,000 to The Power House Museum, on behalf of NSW cultural institutions as a whole, to seed the About NSW project.

A joint Ministerial Commerce and Arts Online Access and Digitisation review identified growing public demand for better online access to the State's cultural and scientific collections. GCIO are working closely with the NSW Ministry for Arts and the state's cultural institutions to provide better access to the State's collections online.

In response to this demand, About NSW, a pilot project was initiated in 2007, led by the Power House Museum, on behalf of NSW cultural and scientific institutions. The project gives federated access to digital materials from the collections as well as interpretative and contextual information about NSW across a broad range of subjects, including history, geography, flora and fauna of suburbs or towns.

#### Office of Fair Trading

Grants are provided to not-for-profit organisations for the provision of community education, advice and advocacy services for tenants, retirement village and residential parks residents and consumers who need assistance with dealing with personal financial difficulties. In line with the NSW Government's social justice policy, these grants promote the principles of access, equity and diversity. Grants programs target the home building and property services industries. Under

these programs, funds are provided to undertake research or training which will enhance the professionalism of those industries and in turn, enhance outcomes for their consumers.

The Co-operatives Development Grants Program is designed to assist the NSW co-operative sector grow and remain a viable sector of the NSW economy. The Motor Vehicle Repair Industry Authority (MVRIA) also provides funding to assist employment training in the NSW automotive industry. The Think Smart Tenancy Grants Program in 2006/07 are grants provided to community organisations to deliver tenancy-focussed information and education to Culturally and Linguistically Diverse (CALD) communities. The Grants program is funded by the Rental Bond Board.

#### Program: Tenants Advice and Advocacy Program (TAAP) 2006/07

Funded organisations	Purpose	Funding \$
Canterbury-Bankstown Migrant Resource Centre Inc	Southern Sydney Tenants Advice & Advocacy Service	381,810.61
Central Coast Tenants Advice & Advocacy Service Inc	Central Coast Tenants Advice & Advocacy Service	323,685.17
Central West Community College Ltd	South Western NSW Tenants Advice & Advocacy Service	752,058.89
Combined Pensioners and Superannuants Association of NSW Inc	Older Persons Tenancy Service	185,372.71
Combined Pensioners and Superannuants Association of NSW Inc	Park and Village Service	193,996.22
Dtarawarra Pty Ltd	TAAP Aboriginal Resource Service	146,138.72
Eastern Area Tenants Service Inc	Eastern Sydney Tenants Advice & Advocacy Service	248,144.48
Hunter Region Neighbourhood Centres Forum Inc	Hunter Tenants Advice & Advocacy Service	349,886.41
Illawarra Legal Centre Inc	Illawarra/South Coast Tenants Advice & Advocacy Service	277,496.08
Inner West Aboriginal Community Company Ltd	Greater Sydney Aboriginal Tenants Advice & Advocacy Service	258,090.08
Macarthur Legal Centre Inc	South Western Sydney Tenants Advice & Advocacy Service	311,406.68
Many Rivers Administrative & Legal Services Inc	Northern NSW Aboriginal Tenants Advice & Advocacy Service	362,183.48
Management & Advisory Services Aboriginal Corporation	Southern NSW Aboriginal Tenants Advice & Advocacy Service	408,964.85
Marrickville Legal Centre Ltd	Inner Western Sydney Tenants Advice & Advocacy Service	253,409.80
Murdi Paaki Regional Enterprise Corporation Ltd	Western NSW Aboriginal Tenants Advice & Advocacy Service	453,485.22
Northern Area Tenancy Service Inc	Northern Sydney Tenants Advice & Advocacy Service	343,219.73
Northern Rivers Community Legal Centre Inc	Far North Coast Tenants Advice & Advocacy Service	286,392.93
North & North Western Community Legal Centre Inc	North Western NSW Tenants Advice & Advocacy Service	451,065.95
Port Macquarie Neighbourhood Centre Inc	Mid North Coast Tenants Advice & Advocacy Service	286,392.93
Redfern Legal Centre Ltd	Inner Sydney Tenants Advice & Advocacy Service	245,804.34
Tenants Union of New South Wales	TAAP Co-ordination resource service	740,425.82
UnitingCare NSW.ACT, The Uniting Church in Australia (NSW Synod)	Western Sydney Tenants Advice & Advocacy Service	566,110.78
TAAP Special Purpose Fund	Fund provides for ad-hoc projects and interpreter & translator costs for services funded under the TAAP.	202,126.26
<b>Total</b>		<b>\$8,027,668.14</b>

**Program: Credit Counselling Program 2006/07**

<b>Funded organisations</b>	<b>Purpose</b>	<b>Funding \$</b>
Anglicare North Coast Inc	Coffs Harbour Financial Counselling Service	26,418.00
Anglicare North Coast Inc	Coffs Harbour Financial Counselling Service – Grafton Outreach	14,265.72
CARE A.C.T.	Queanbeyan Financial Counselling Service	39,678.78
Centacare Port Macquarie	Centacare Financial Counselling Service	37,878.13
Consumer Credit Legal Centre (NSW) Inc.	Consumer Credit Legal Centre Credit/Debt Legal Service	149,599.85
Consumer Credit Legal Centre (NSW) Inc.	Consumer Credit Legal Centre – Credit Hotline	199,571.08
Eastlakes Family Support Service Inc	Eastlakes Financial Counselling Service	21,572.94
Granville Multicultural Community Centre Inc	Granville Financial Counselling Service	38,041.92
Illawarra Legal Centre Inc.	Illawarra Legal Centre – Financial Counselling & Credit/Debt Legal Advice Service	62,929.79
Kempsey Neighbourhood Centre Inc.	Kempsey Financial Counselling Service	39,166.27
Lifeline Broken Hill	Far West Credit Counselling Service	56,006.16
Lismore & District Financial Counselling Service Inc.	Lismore & District Financial Counselling Service	45,586.90
Lismore & District Financial Counselling Service Inc.	Lismore & District Financial Counselling Service – Mullumbimby & Byron Bay Outreach	28,250.35
Macarthur Legal Centre Inc	Credit / Debt Legal Advice Service	28,250.35
Mission Australia	Mission Australia Campbelltown	40,403.69
Mission Australia	Mission Australia Creditworthy Wollongong	37,878.13
Murwillumbah Community Support Centre Inc.	Murwillumbah Financial Counselling Service	30,176.75
Redfern Legal Centre	Credit/Debt Legal Advice Service	23,113.64
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Campbelltown	24,304.56
The Uniting Church in Australia Property Trust (NSW)	Creditline Sydney	115,550.22
The Uniting Church in Australia Property Trust (NSW)	Creditline Penrith	53,029.38
The Uniting Church in Australia Property Trust (NSW)	Creditline Fairfield	64,786.45
The Uniting Church in Australia Property Trust (NSW)	Lifeline Newcastle and Hunter	38,523.78
<b>Total</b>		<b>\$1,214,982.84</b>

**Program: Other Funded Community Services 2006/07**

<b>Funded organisations</b>	<b>Purpose</b>	<b>Funding \$</b>
The Aged-care Rights Service Inc.	Advice & advocacy to retirement village residents	361,868.96
<b>Total</b>		<b>\$361,868.96</b>

**Program: Financial Counselling Trust Fund 2006/07**

<b>Funded organisations</b>	<b>Purpose</b>	<b>Funding \$</b>
Anglicare—South East	Anglicare Financial Counselling Service	29,759.35
The Trustee of Anglican Church (Armidale)	Anglican Counselling Service (Diocese of Armidale)	38,041.92
Creating Links Co-operative Ltd	Creating Links Financial Counselling Project	38,523.78
Christian Community Aid Service Inc	Christian Community Aid Service Financial Counselling	38,041.92
Eurobodalla Family Support Service Inc.	Eurobodalla Financial Counselling Service	39,807.70
Gosford City Community and Information Service Ltd	Gosford/Wyong Financial Counselling Service	53,773.31
Hunter Valley Financial Counselling Project	Hunter Valley Financial Counselling Service	44,944.42
Lifeline Central West Inc.	Creditline Central West Financial Counselling Service	66,609.29
Lifeline Central West Inc	Creditline Riverina Financial Counselling Service	55,944.00
San Remo Neighbourhood Centre Incorporated	San Remo Financial Counselling Service	39,579.45
The Salvation Army (NSW) Property Trust	Moneycare—Campsie	20,201.32
The Salvation Army (NSW) Property Trust	Moneycare Forster/Tuncurry	12,625.69
The Salvation Army (NSW) Property Trust	Moneycare—Parramatta	31,185.92
The Salvation Army (NSW) Property Trust	Moneycare—Lethbridge Park	31,185.92
The Salvation Army (NSW) Property Trust	Moneycare – Taree/Wingham	25,252.44
The Trustee of the Society of St. Vincent de Paul (NSW)	St.Vincent De Paul Society Broken Bay Financial Counselling Service	25,252.44
The Uniting Church in Australia Property Trust (NSW)	Creditline Penrith—Outreach Hawkesbury/Richmond	25,252.44
The Uniting Church in Australia Property Trust (NSW)	Creditline Penrith—Outreach Quakers Hill/Blacktown	25,252.44
The Uniting Church in Australia Property Trust (NSW)	Creditline Nowra	40,752.41
The Uniting Church in Australia Property Trust (Victoria)	St David's UnitingCare - Albury	32,103.15
Woodrising Neighbourhood Centre Inc	Creditline Westlake Macquarie Financial Counselling Service	38,523.78
<b>Total</b>		<b>\$752,613.09</b>

**Program: Home Building Grants Program 2006/07**

<b>Funded organisations</b>	<b>Purpose</b>	<b>Funding \$</b>
Master Builders Association – Newcastle Group Training	The training and employment of apprentices & trainees in the home building industry	61,000
Master Builders Association & Swimming Pool and Spa Association	Development of course materials for Continuing Professional Development	39,000
Macquarie Legal Centre	Pilot Home Building Advocacy Service	60,000
<b>Total</b>		<b>\$160,000</b>

**Program: Property Service Grants Program 2006-2007**

<b>Funded Organisations</b>	<b>Purpose</b>	<b>Funding \$</b>
Australian Livestock & Property Agents Association	ALPA Computer Website Project	11,370
City Futures Research Centre – UNSW	Strata Corporation Research Agenda Round Table	4,750
Australian Property Institute	Assistance to provide CPD	50,000
Institute of Strata Title Management	Public Information Seminars	17,541
Real Estate Institute of NSW	E-learning modules for stock & station and business agents	95,000
Australian Institute of Conveyancers	CPD Program	16,080
Australian Livestock & Property Agents Association Limited	Professional Development Program	83,830
<b>Total</b>		<b>278,571</b>

**Program area: Think Smart Tenancy Grants Program**

<b>Funded Organisations</b>	<b>Purpose</b>	<b>Funding \$</b>
Assyrian Australian Association, Fairfield	Provision of information sessions and workshops in partnership with Real Estate agents and community housing representatives. Development of translated tenancy information. Broadcast of tenancy information on local Assyrian community radio.	19,877
Auburn Migrant Resource Centre, Auburn	Production and dissemination of audio CD, MP3, DVD etc tenancy information which can be accessed via radio, library, Adult Migrant English classes' providers, Migrant Resource Centres, Real Estate agents etc. Development of information kits on private rental market for provision to agents and landlords.	20,000
Cabramatta Community Centre Inc, Cabramatta	Provide tenancy information via established community networks and bilingual staff. Dissemination of information on DVD with eventual extension to other African and Arabic languages. Advocate and develop tenancy information and education tools.	20,000
Canterbury Bankstown Migrant Resource Centre, Campsie	Translation of tenancy materials and use of bilingual CSSS community workers. Use of simple English and practical hands-on experience to provide advice. Involvement and participation of community leaders who will pass information to community members.	20,000
Illawarra Legal Centre Inc, Warrawong	Production of theatre project depicting renting system, legislation, rights & responsibilities. Script variable to suit needs. Participatory learning activity. Use of interpreters for clarification of issues	11,372.70
Immigrant Women's Speakout Association of NSW Inc, Harris Park	Development of CD with 2 plays in 7 languages on key tenancy issues for use by service providers and radio. Production of flyers on airing of plays.	20,000
Macarthur Diversity Services, Campbelltown	Provision of interactive workshops run in partnership with church and community groups. Participants will also learn basic literacy and computer skills.	10,500
Northern Settlement Services (Former Migrant Resource Centre of Newcastle and Hunter Region) Hamilton	Provision of information sessions with key service providers for tenants and use of community radio for dissemination of information. Use of visual and aural resources on tenancy information i.e. DVD.	19,192

Multicultural Community Radio Association and Tongan Association of NSW, Burwood	Provision of weekly radio broadcasts on tenancy issues. Provision of quarterly talkback program i.e. questions/feedback. Provision of information sessions and seminars and an accredited trainer Project Officer who is experienced in interpreting and translating.	20,000
CASS Care (Mandarin speakers) Campsie	Provision of information resources in a variety of formats and use of community setting. Production of DVD, CD and website material on tenancy issues which will maintain as project after completion.	19,800
Australia-Korean Welfare Association, Campsie	Production of video by Korean youth media groups to be aired on local Korean TV stations. Provision of information sessions in Korean meeting places such as churches. Will target young members of community for dissemination of information.	12,000
Indonesian Welfare Association Inc, Marrickville	Use of local Indonesian radio program to provide education, awareness and dissemination of information (10-15 min/fortnight and quarterly talkback radio). Provision of seminars/information sessions, translation and brochures. Print tenancy information in Indonesian newspapers and magazines.	15,000
<b>Total</b>		<b>\$207,741.70</b>

#### Program: Co-operatives Development Grants Program

Funded Organisations	Purpose	*Funding \$
Barraba Community Learning Association Incorporated	Facilitator to lead community groups in forming a co-operative to provide administration for adult education providers.	2,454
Co operative Federation of NSW Limited	Annual Co operative conference, seminars and publication of "The Democracy Principle: Farmer Co-operatives in Twentieth Century Australia".	28,039
Hawkless Consulting Pty Ltd	Analysis of the Co-operative Housing Society and Starr-Bowkett Sector	10,560
Karalta Road Park Home Owners Incorporated	Feasibility study – establishment of a co operative to own and operate a manufactured home park for residents	3,000
ScreenCentric Incorporated	Business Planning for the formation of a filmmaker's co op that combines business experience and creative talent in order to develop Australian film projects.	12,379
Technology Ski Club Co operative Limited	Printing of "Technology Ski Club – The First Fifty Years", celebrating the formation and development of the Technology Ski Club Co operative Limited	11,400
University of Technology Sydney	Production of national on-line newsletter, Co-operative Connections by the Centre for Australian Community Organisations and Management.	42,180
<b>Total</b>		<b>\$110,012</b>

#### Program area: Motor Vehicle Repair Industry Authority

Funded Organisations	Purpose	Funding \$
Automotive Training Board of NSW	Assist systematic training for employment in the NSW automotive industry	50,000
<b>Total</b>		<b>\$50,000</b>

## **Appendix 11 Government and Related Employees Appeals Tribunal and Transport Appeals Board**

### **Public sector appeals process**

The Government and Related Employees Appeals Tribunal (GREAT) and the Transport Appeal Boards (TAB) fall within the area of responsibility of the Minister for Industrial Relations.

GREAT hears and determines appeals against decisions relating to the discipline and promotion of NSW public sector employees and employees of certain other statutory authorities. GREAT also hears promotion appeals and Hurt on Duty Claims by members of the New South Wales Police Service. The Transport Appeal Boards are independent bodies that determine appeals by employees against disciplinary or promotion decisions made by public sector transport authorities.

During 2006/07, 921 appeals were heard before GREAT. This represents an increase of 238 appeals on the previous year's total of 683, while 985 appeals went before TAB, representing an increase of 707 on the previous year's total of 278. The number of appeals lodged with both GREAT and TAB relates directly to the volume and frequency of recruitment campaigns undertaken by NSW public sector employing authorities. This is reflected in the sometimes large fluctuations of total appeals lodged from year to year in both GREAT and TAB.

### **Promotion appeals**

Both GREAT and TAB are independent bodies and are the only bodies that review the application of the 'test of merit' against recruitment and selection outcomes in the NSW public sector.

Merit selection for the NSW public sector and its purpose are articulated in the Public Sector Employment Management Act 2002 at section 19 and the NSW Personnel Handbook at section 2.

Merit selection is a long standing cornerstone of selection and recruitment processes for the NSW public sector. GREAT and TAB were set up by their respective enabling legislation in 1980 to contribute to the transparency of recruitment and selection processes of the NSW public sector by reviewing decisions made on behalf of Department Heads to ensure that the most meritorious employee for the position is appointed to the contested position.

Promotion appeals are generally listed for hearing within 35 days of the expiration of the closing date to lodge an appeal. Tribunal and Board decisions on promotion appeals are almost always made on the day of the hearing and then followed by a written decision within 14 days of the hearing.

The previous three year financial year average for the period 2003/04 to 2005/06 for appeals lodged with GREAT was 298 and for TAB 388. However, for 2006/07, there were 463 appeals to GREAT and 898 to the TAB. In effect GREAT was up approximately 50 per cent on the previous three-year average while TAB activity was more than double the previous three-year average.

### **Disciplinary appeals**

Depending on complexity the majority of disciplinary appeals before GREAT are heard over more than one day while Police Hurt on Duty (HOD) matters before GREAT usually require several days of hearing. Disciplinary appeals before TAB usually take one to two days to hear.

### **Conciliation of public sector disciplinary appeals**

For the year 2006/07, GREAT received 51 appeals in this category. Forty-three were finalised of which 27 were withdrawn by the appellant after conciliation and prior to hearing as a result of settlements between the parties. Nine were withdrawn prior to being listed for conciliation and one struck out no jurisdiction. Of the remaining eight, seven are before the GREAT for conciliation and only one has progressed to hearing (Of the 18 appeals that were conciliated 17 were settled and one progressed to hearing). The continued success of conciliation has resulted in savings across the public sector as it is less resource intensive.

## Conciliation of NSW Police - Hurt on Duty appeals

HOD appeals are conciliated the same way as Public Sector Disciplinary appeals; 43 HOD appeals went through the conciliation process during 2006/07; of these 21 have settled and been withdrawn, 18 are awaiting settlement via Deed of Settlement negotiations and the remaining four progressed to hearing. This represents a potential 90 per cent settlement rate for conciliation in the HOD category.

## Education

During 2006/07, GREAT conducted four seminars on the promotion appeal process. The seminars were attended by 85 Industrial Officer and Human Resource staff from 33 public sector employing organisations.

## Website

During 2006/07 Disciplinary and Jurisdiction decisions of the Transport Appeal Boards were added to the TAB website for the first time and now are accessible to users of the TAB for reference and research purposes.

## New South Wales Coal Compensation Review Tribunal

During 2006/07, the NSW Coal Compensation Review Tribunal (NSWCCRT) continued to use hearing rooms and associated facilities of the GREAT/TAB to conduct its hearings and mentions. The sharing of resources has allowed for considerable savings at a public sector wide level and more directly to the NSWCCRT.

## Performance results

### Outcome: Maximum compliance with regulatory requirements

Measure: Number of appeals received	GREAT	03/04	04/05	05/06	<b>06/07</b>
		825	826	683	<b>921</b>
	TAB	03/04	04/05	05/06	<b>06/07</b>
		790	322	267	<b>985</b>

## Appendix 12 Heritage items

The Commerce Heritage Asset Management Strategy (HAMS), required under the *NSW Heritage Act 1977*, was approved by the NSW Heritage Council in May 2007. The HAMS set out the heritage management initiatives already undertaken by the Department of Commerce, identified the heritage asset management systems within the Department and committed the Department to an action plan to enable it to meet the requirements of the Heritage Act by the end of 2009. The major requirement is the preparation of a Heritage and Conservation Register under Section 170 of the Heritage Act.

The Government Architect's Office has been engaged to prepare the NSW Department of Commerce Section 170 Heritage and Conservation Register. Draft Stage 1A (Investigation Report) and 1B (Thematic History) have been completed. The Register is expected to be available in the second half of 2007/08.

The information in the Register will enable the Department to meet other commitments as required under the Heritage Act, including annual reporting for heritage assets and ongoing maintenance and conservation works.

## Appendix 13 Implementation of price determination

During 2006/07 Commerce sought no price determinations from the Independent Pricing and Regulatory Tribunal.

## Appendix 14 Inclusion of other annual reports

Provisions within the *Community Land Management Act 1989*; the *Strata Schemes Management Act 1996* and the *Residential Tenancies Act 1987*, require the Commissioner for Fair Trading to prepare a report to Parliament on the respective operations of the Commissioner (including Tenancy Commissioner) under these acts. The actions or activities relating to these three acts are not conducted in isolation – but rather fully integrated across all the operations of the Office of Fair Trading throughout New South Wales. Further, administration of the three acts is jointly shared by the Minister for Commerce and the Minister for Fair Trading. The annual reporting obligations for the three acts is therefore discharged by the inclusion of the following relevant information in this Department of Commerce Annual Report in accordance with Part 1, Section 6 of the *Annual Reports (Departments) Act 1985* – inclusion of other reports in annual reports.

### **Community Land Management Act 1989**

The following information addresses section 109G of the Act in connection with annual reporting of the operations of the Director-General (Commissioner for Fair Trading) in the areas of: resolving complaints and disputes; investigating alleged breaches of the Act; taking legal action; providing information on community schemes and reporting on any other matter – including those referred to the Commissioner by the Minister.

#### **Resolving complaints and disputes**

Community land management enquiries and dispute mediations are counted jointly with Strata scheme enquiries and mediations - see next section on Strata Schemes Management Act.

#### **Legal action taken**

	03/04	04/05	05/06	06/07
Community land management prosecutions	0	0	0	0
Community land management penalty notices	0	0	0	1
Community land management civil litigation	0	0	0	0

### **Community Land Management information**

Community land management information was available through the OFT website at: <http://www.fairtrading.nsw.gov.au/realestaterenting/strata/communityschemes.html>. OFT also provides the following community scheme publications for proprietors, occupiers, associations, managing agents and members of the public.

- Living in a community scheme
- Strata and community disputes
- Strata and community mediation

#### **Other matters**

The *Community Land Management Act 1989* and the *Community Land Development Act 1989* are currently being reviewed as a joint initiative with the Department of Lands. The review is examining a wide range of matters, in particular whether changes to the strata legislation in recent years should be adopted for community schemes. The submissions made to this review by stakeholders and members of the public are currently being examined and recommendations will be provided to the Minister later in 2007.

### **Strata Schemes Management Act 1996**

The following information addresses section 216 of the Act in connection with annual reporting of the operations of the Director-General (Commissioner for Fair Trading) in the areas of: resolving complaints and disputes; investigating alleged breaches of the Act; taking legal action; providing information on strata schemes and reporting on any other matter referred to the Commissioner by the Minister.

**Resolving complaints and disputes**

	03/04	04/05	05/06	06/07
Strata scheme enquiries	38,058	38,858	35,580	<b>32,464</b>
Strata scheme dispute mediations	1027	1185	1153	<b>1,194</b>

**Legal action taken**

	03/04	04/05	05/06	06/07
Strata scheme prosecutions	0	0	0	<b>0</b>
Strata scheme penalty notices	0	0	0	<b>0</b>
Strata scheme civil litigation	0	0	9	<b>5</b>

**Mediation**

Mediation continues to be a successful way for parties to settle strata and community scheme disputes. People can resolve their disputes without the need for formal adjudication on the matter and many side issues are resolved along with the main dispute.

During 2006-2007, 412 applications were closed due to one or more party not agreeing to mediation. 251 were successfully case managed prior to mediation. Of the remaining 531 applications, 71 per cent were successfully mediated.

**Strata schemes information**

A range of strata schemes information was also available through the OFT website at: [www.fairtrading.nsw.gov.au/realestaterenting/strata.html](http://www.fairtrading.nsw.gov.au/realestaterenting/strata.html). During the year, the following strata scheme publications were available for members of the public, owners, occupiers, owners' corporations, lessors of leasehold strata schemes and strata managing agents:

- Changes to strata laws
- Buying into a strata scheme
- Strata and community disputes
- Strata and community mediation
- Strata living – English, Arabic, Chinese, Vietnamese.

**Other matters**

The *Strata Schemes Management Act* is not currently under review.

***Residential Tenancies Act 1987***

The following information addresses section 119E of the Act in connection with annual reporting of the operations of the Tenancy Commissioner (Commissioner for Fair Trading) in the areas of: research into tenant/landlord relationships; resolving tenancy disputes; taking legal action; providing information; reporting on other matters – including those referred to the Commissioner by the Minister; as well as providing assistance to agencies and individuals who provide tenancy advice, information and who carry out research into relationships between tenants and landlords.

**Resolving complaints and disputes**

	03/04	04/05	05/06	06/07
Tenancy enquiries	155,000	143,000	126,000	117,200

Note: tenancy disputes are determined in the independent Consumer, Trader & Tenancy Tribunal

**Legal action taken**

	03/04	04/05	05/06	06/07
Residential Tenancy Act prosecutions	0	1	1	0
Residential Tenancy Act penalty notices	0	0	0	0
Residential Tenancy Act civil litigations	0	0	0	0

**Residential Tenancy information**

Residential tenancy information was available for tenants and landlords through the Fair Trading website at: [www.fairtrading.nsw.gov.au/realestaterenting/tenantslandlords.html](http://www.fairtrading.nsw.gov.au/realestaterenting/tenantslandlords.html).

Fair Trading also provided the following publications for tenants and landlords:

- The Renting Guide (25 regional or community language versions)
- Tenant databases (tenant and landlord editions)
- Using an agent to manage your rental property
- Living there – information for renters
- Moving in – information for renters
- Moving out – information for renters
- Discrimination and renting

**Assistance and funding for tenancy services**

This year, 22 community organisations (see Appendix 10) were funded under the Tenants Advice and Advocacy Program (TAAP) to provide advice and advocacy to tenants.

An increasing number of residential parks have been the subject of threatened closure or re-development applications which may impact on low income earners for whom residential parks provide affordable accommodation. Workers funded under the TAAP have been supporting these residents to gain a better understanding of the process and any recourse options which may be available to them. Funding has also been provided to the Tenants' Union of NSW specifically for the employment of a Residential Parks Solicitor to provide additional support to park residents.

The focus this year was on the needs of tenants who are refugees, particularly those from African countries, and also newly arrived migrants. Additionally, our own indigenous population has been a target of new initiatives with the Tenants' Union being funded for an Aboriginal Legal Officer to provide advice and advocacy for Aboriginal and Torres Strait Islanders living in NSW.

**Other matters**

A strategic review of legislation covering residential tenancies is currently being carried out. This review follows the release of an options paper in 2005, which attracted more than 100 submissions. A report on the review has been drafted and further consultation with industry and community stakeholders will be undertaken before any amendments are introduced. Reform options are aimed primarily at updating the legislation, reducing disputes and giving greater clarity, certainty and flexibility to both tenants and landlords. It is proposed that the report will be released for consultation in the second half of 2007.

**Appendix 15 Land disposal**

Commerce did not dispose of any land in 2006/07.

## Appendix 16 Legislation

### Legislation administered

#### Commerce

The Minister for Commerce has administration of the following Acts, and joint administration of all Acts listed for the Minister for Fair Trading:

*Architects Act 2003 No 89*  
*Bennelong Point (Parking Station) Act 1985 No 189*  
*Border Railways Act 1922 No 16*  
*Building and Construction Industry Security of Payment Act 1999 No 46*  
*Contractors Debts Act 1997 No 110*  
*Explosives Act 2003 No 39*  
*Glen Davis Act 1939 No 38, Part 4* (remainder, Minister for Local Government)  
*Government Telecommunications Act 1991 No 77*  
*Growth Centres (Development Corporations) Act 1974 No 49* (other than section 5 and Part 3A, Division 3) so far as it relates to the Festival Development Corporation, (remainder, Minister for Planning)  
*Land Acquisition (Charitable Institutions) Act 1946 No 55*  
*Land Acquisition (Just Terms Compensation) Act 1991 No 22*  
*Motor Accidents Act 1988 No 102*  
*Motor Accidents Compensation Act 1999 No 41*  
*Motor Vehicles (Third Party Insurance) Act 1942 No 15*  
*Occupational Health and Safety Act 2000 No 40* (except parts, Minister for Mineral Resources)  
*Public Sector Employment and Management Act 2002 No 43, Chapter 7* (jointly with the Treasurer; remainder, Premier)  
*Public Works Act 1912 No 45* (except parts, Minister for Water Utilities)  
*State Brickworks Act 1946 No 16*  
*Workers Compensation Act 1987 No 70*  
*Workers Compensation (Brucellosis) Act 1979 No 116*  
*Workers Compensation (Bush Fire, Emergency and Rescue Services) Act 1987 No 83*  
*Workers Compensation (Dust Diseases) Act 1942 No 14*  
*Workmen's Compensation (Lead Poisoning—Broken Hill) Act 1922 No 31*  
*Workplace Injury Management and Workers Compensation Act 1998 No 86*

#### Office of Industrial Relations

*Annual Holidays Act 1944 No 31*  
*Associated General Contractors Insurance Company Limited Act 1980 No 38*  
*Banks and Bank Holidays Act 1912 No 43* (except part, Treasurer)  
*Bishopsgate Insurance Australia Limited Act 1983 No 81*  
*Broken Hill Trades Hall Site Act of 1898 No 31*  
*Broken Hill Trades Hall Site Extension Act 1915 No 42*  
*Builders Labourers Federation (Special Provisions) Act 1986 No 17*  
*Building and Construction Industry Long Service Payments Act 1986 No 19*  
*Coal Industry Act 2001 No 107*  
*Coal Industry (Industrial Matters) Act 1946 No 44*  
*Dangerous Goods Act 1975 No 68*  
*Employment Protection Act 1982 No 122*  
*Entertainment Industry Act 1989 No 230*  
*Essential Services Act 1988 No 41* (except parts, Premier)  
*Funeral Services Industry (Days of Operation) Repeal Act 2000 No 14*  
*Government and Related Employees Appeal Tribunal Act 1980 No 39*  
*Hairdressers Act 2003 No 62*  
*Industrial Arbitration (Special Provisions) Act 1984 No 121*  
*Industrial Relations Act 1996 No 17* (except parts, Attorney General)  
*Industrial Relations (Ethical Clothing Trades) Act 2001 No 128*  
*Long Service Leave Act 1955 No 38*  
*Long Service Leave (Metalliferous Mining Industry) Act 1963 No 48*

*Road and Rail Transport (Dangerous Goods) Act 1997 No 113 (except parts, Minister for the Environment)*  
*Rural Workers Accommodation Act 1969 No 34*  
*Shops and Industries Act 1962 No 43*  
*Sporting Injuries Insurance Act 1978 No 141*  
*The Standard Insurance Company Limited and Certain Other Insurance Companies Act 1963 No 18*  
*Transport Appeal Boards Act 1980 No 104*

### **Office of Fair Trading**

The Minister for Fair Trading has joint administration of the following Acts with the Minister for Commerce:

*Associations Incorporation Act 1984 No 143*  
*Business Names Act 2002 No 97*  
*Community Land Management Act 1989 No 202*  
*Consumer Claims Act 1998 No 162*  
*Consumer Credit Administration Act 1995 No 69*  
*Consumer Credit (New South Wales) Act 1995 No 7*  
*Consumer, Trader and Tenancy Tribunal Act 2001 No 82*  
*Contracts Review Act 1980 No 16*  
*Conveyancers Licensing Act 1995 No 57*  
*Conveyancers Licensing Act 2003 No 3 part commenced; some provisions not yet commenced*  
*Co-operative Housing and Starr-Bowkett Societies Act 1998 No 11*  
*Co-operatives Act 1992 No 18*  
*Credit Act 1984 No 94*  
*Credit (Home Finance Contracts) Act 1984 No 97*  
*Electricity (Consumer Safety) Act 2004 No 4*  
*Electricity Safety Act 1945 (1946 No 13) so far as it relates to electrical articles and electrical installations (jointly with Minister for Energy)*  
*Fair Trading Act 1987 No 68*  
*Fitness Services (Pre-paid Fees) Act 2000 No 95*  
*Funeral Funds Act 1979 No 106*  
*Gas Supply Act 1996 No 38, section 83A (remainder, Minister for Energy)*  
*Holiday Parks (Long-term Casual Occupation) Act 2002 No 88*  
*Home Building Act 1989 No 147*  
*HomeFund Commissioner Act 1993 No 9*  
*HomeFund Restructuring Act 1993 No 112, sections 14, 15, 16 and Schedule 2 (remainder, Minister for Housing)*  
*Landlord and Tenant Act 1899 No 18*  
*Landlord and Tenant (Amendment) Act 1948 No 25*  
*Landlord and Tenant (Rental Bonds) Act 1977 No 44*  
*Motor Dealers Act 1974 No 52*  
*Motor Vehicle Repairs Act 1980 No 71*  
*Partnership Act 1892 55 Vic No 12, in so far as it relates to the functions of the Registrar of the register of limited partnerships and incorporated limited partnerships and to the setting of fees to be charged for maintaining that register (jointly with the Attorney General; remainder, Attorney General)*  
*Pawnbrokers and Second-hand Dealers Act 1996 No 13*  
*Price Exploitation Code (New South Wales) Act 1999 No 55*  
*Price Regulation Act 1948 No 26*  
*Property, Stock and Business Agents Act 2002 No 66*  
*Registration of Interests in Goods Act 1986 No 37*  
*Residential Parks Act 1998 No 142*  
*Residential Tenancies Act 1987 No 26*  
*Retirement Villages Act 1999 No 81*  
*Strata Schemes Management Act 1996 No 138*  
*Summary Offences Act 1988 Section 10D (remainder the Attorney-General)*  
*Trade Measurement Act 1989 No 233*  
*Trade Measurement Administration Act 1989 No 234*  
*Travel Agents Act 1986 No 5*

*Valuers Act 2003 No 4*  
*Warehousemen's Liens Act 1935 No 19*

### **State Records**

The Minister for Commerce has administration of the following Act  
*State Records Act 1998*

## **Legislative changes**

### **Office of Fair Trading**

#### **Conveyancers Licensing**

The *Conveyancers Licensing Act 2003*, the Conveyancers Licensing Regulation 2006 and the Conveyancers Licensing Order 2006 all commenced on 15 December 2006. The amendments contained in this new legislation are designed to improve consumer protection by making licensing requirements for conveyancers consistent with other property related licences issued under the *Property, Stock and Business Agents Act 2002*.

Licensed conveyancers now need to comply with the Rules of Conduct set out in the Regulation and they have also had to modify business processes in areas such as:

- business advertising
- disclosure of information to clients
- management of trust accounts
- employment and supervision of staff
- record keeping.

The Act ceased the application of the Legal Profession Act to conveyancers and transferred responsibility to Fair Trading. Investigation and disciplinary powers are now consistent with those currently in place for other property related licences – such as real estate agents and strata property managers. The Act also provides consumers with direct access to a process for settling cost disputes with a conveyancer. This process is now administered by the Consumer, Trader and Tenancy Tribunal.

#### **Home Building Amendment**

See Appendix 22 - Significant judicial decisions.

#### **Business names**

Any person, partnership or corporation conducting business under a business name in NSW must register that business name. Registration is current for three years and then must be renewed. If a business fails to renew their registration on time they run the risk that someone else may apply to use the name during the period in which the registration is lapsed. An amendment to the *Business Names Act* gives business owners a clear three month window in which they can apply to restore an expired business name registration. The business name will also be unavailable to other applicants during the three month restoration period.

#### **Anti-Graffiti laws**

From 1 November 2006, the *Summary Offences Amendment (Display of Spray Paint Cans) Act 2006* required retailers who sell spray paint cans to restrict access to those cans by keeping them either in a locked cabinet, behind a counter in such a way that members of the public cannot gain access to the cans without assistance, or on a shelf of height 2.1 metres or more. The Act aims to reduce the amount of graffiti in the community by reducing the theft of spray paint cans. This measure is part of the Government's comprehensive anti-graffiti strategy. The Act includes a provision requiring its operation to be reviewed after two years. This will enable the Government to examine the effect of the legislation on retailers and the community, and consider whether the restrictions should be continued. Businesses were given a "grace period" from 1 November 2006 until 1 February 2007 to comply. During the grace period, we focussed on providing education and assistance to help businesses comply with the legislation, rather than on enforcement.

**Bills assented**

- Fair Trading Amendment Bill 2006
- Home Building Amendment (Statutory Warranties) Bill 2006
- Business Names Amendment Bill 2006
- Fair Trading Amendment (Motor Vehicle Insurance and Repair Industries) Bill 2006

**Statute law revision**

Under the Statute Law Revision program, a Bill is introduced in each Session of Parliament to deal with a range of minor and uncontroversial legislative amendments. A number of amendments were made to fair trading legislation under this program during 2006-2007.

- *Community Land Management Act 1989* (Sections 3, 39, 66, 122)
- *Conveyancers Licensing Act 2003* (Section 10)
- *Home Building Act 1989* (Sections 3, 37)
- *Motor Dealers Act 1974* (Section 10, 12, 20)
- *Property, Stock and Business Agents Act 2002* (Sections 8, 14, 16)
- *Travel Agents Act 1986* (Section 7a, 17)
- *Valuers Act 2003* (Section 9)

**Subordinate legislation review (List)**

On 1 September 2006, the following regulations were remade under the staged repeal provisions of the Subordinate Legislation Act 1989:

- Fitness Services (Pre-paid Fees) Regulation 2006
- Funeral Funds Regulation 2006
- Residential Parks Regulation 2006
- Residential Tenancies Regulation 2006
- Travel Agents Regulation 2006

The following regulations are in preparation to be remade by 1 September 2007:

- Warehousemen's Liens Regulation 2007
- Consumer Credit (NSW) Special Provisions Regulation 2007
- Fair Trading (General) Regulation 2007
- Community Land Management Regulation 2007
- Consumer Claims Regulation 2007

The Trade Measurement Regulation 2007 and the Trade Measurement Administration Regulation 2007 were gazetted on 27 April 2007.

**Office of Industrial Relations*****Industrial Relations Further Amendment Act 2006.***

This Act represents a further response by the NSW Government to the Commonwealth's Work Choices legislation, following the *Industrial Relations Amendment Act 2006* which commenced in the previous reporting period. The major elements of the Act were: to enable the Industrial Relations Commission of New South Wales to act as a provider of alternative dispute resolution where it is named as such by the parties to a federal workplace agreement, to enable the Commission to hold joint hearings with the industrial tribunals of other states, and moving provisions for the reinstatement of injured workers to the *Workers Compensation Act 1987* in order to ensure that those provisions are not affected by Work Choices.

[Commencement: 1 December 2006, with the exception of those provisions relating to electronic publishing of the Industrial Gazette, which commenced on 19 January 2007]

***Industrial Relations (Child Employment) Act 2006 No 96***

Work Choices provides that State child labour laws are not excluded from operating in respect of employers that are otherwise covered by Work Choices. This Act is designed to ensure that where such employers employ workers under the age of 18 in New South Wales, those children must not suffer a detriment in their wages and conditions as compared to what they would have been entitled to under a comparable state award.

[Commencement: 27 November 2006, except no net detriment provisions which commenced on 1 December 2006]

**Legislative changes - Regulations***Industrial Relations (General) Amendment (Small Claims) Regulation 2006*

This Regulation increases from \$10,000 to \$20,000 the maximum amount that the Industrial Relations Commission or an Industrial Magistrate may order an employer to pay on a small claims application under the *Industrial Relations Act 1996*. [Commencement: 15 September 2006]

*Industrial Relations (General) Amendment (Fees) Regulation 2007*

This Regulation provides for an increase in certain fees that the Industrial Relations Commission charges in relation to the conduct of matters before it. The fee increases are consistent with fee changes for other NSW courts. [Commencement: 1 July 2007] *Industrial Relations (Child Employment) Regulation 2006*

This Regulation provides for the form and retention of child employment records by an employer under the *Industrial Relations (Child Employment) Act 2006*. [Commencement: 1 December 2006]

*Industrial Relations (Child Employment) Amendment (Penalty Notices) Regulation 2006*

The Regulation prescribes certain penalty notice offences and penalties for the purposes of enforcement of the *Industrial Relations (Child Employment) Act 2006*. [Commencement: 22 December 2006]

**State Records**

The *Statute Law (Miscellaneous Provisions) Act (No.2) 2006* amended the: *State Records Act 1998*

**Appendix 17 New South Wales Government Telecommunications Authority**

The vision of the NSW Government Telecommunications (Telco) Authority, as outlined by the NSW Government Telecommunications Act, 1991 (the Telco legislation) is to improve the integration of the Information and Communications Technology (ICT) capabilities and assets of NSW for the betterment of NSW Government telecommunications and the people of NSW.

**Functions of the Board**

- to determine the policies and long term strategic plans of the Authority
- to oversee the effective, efficient and economical management of the Authority
- to advise the Minister on any matter relating to the telecommunications requirements of the Government or on the commercial advantages available to the Government with respect to the State.

**Aims and objectives**

- to utilise the provisions of the Telco legislation to better integrate Information and Communications Technology (ICT) capabilities
- to utilise its functions, including the ability to conduct any business connected with telecommunications to the best advantage of the State.

**Membership**

The Government regularly reviews the role of the Board and its relevance to current telecommunications strategies and policies. A number of options are currently under consideration including the reconstitution of a new Board.

**Administration**

As provided for under the Telco legislation, the acting Managing Director is currently assisted on an as needs basis by the Government Chief Information Office, an administrative area of Commerce.

## Report on operations

During the reporting year Telco operations have been confined to an investment role on behalf of the NSW Government.

Telco is a majority shareholder in the Australian Centre for Advanced Computing and Communications (ac3). Online service delivery activities have been undertaken by ac3 (see Appendix 3).

One major project was underway during the reporting year:

- Telco continued to be involved in the Australian Centre for Advanced Computing and Communications (ac3). Telco is the majority equity holder in ac3, a private company incorporated on 10 November 2000. The other equity holders are eight NSW universities.

Corporate support services to Telco are provided by Department of Commerce. All payments required to be made by Telco are processed by Department of Commerce on its behalf, with a minimal number of payments made in 2006/07. These payments are reflected in the payment performance indicators published in the Department of Commerce Annual Report.

For all other administrative procedures, policies and processes for this report please refer to the other Department of Commerce annual report appendices.

## Appendix 18 Other supported entities

Commerce officers work for the State Records Authority, NSW Businesslink and the Festival Development Corporation. These officers are included in Commerce staff numbers (see page 65).

As each of these entities produces its own annual report they are not included in the Commerce annual report.

## Appendix 19 Overseas travel

In 2006/07, thirteen officers travelled overseas on government business, some at minimal or no cost to government.

### **Tony White - Sweden**

Purpose: Witness the testing of water pumping equipment for Commerce's client Sydney Catchment Authority.

Benefits: To complete contractual obligations of the Department concerning the Sydney Metropolitan Water Plan regarding the recovery of water stored in deep areas of the Prospect Reservoir.

### **Joseph Vaz – New Zealand**

Purpose: Witness factory testing of high voltage switchgear for Commerce's client Sydney Catchment Authority.

Benefits: To complete contractual obligations of the Department concerning the Sydney Metropolitan Water Plan regarding the recovery of water stored in deep areas of the Prospect Reservoir.

### **Bruce Pettman – India**

Purpose: To attend and co-convene a seminar on behalf of the Indian National Trust for Arts and Cultural Heritage in New Delhi on the Imperatives for conserving our Cultural Heritage.

Benefits: Provided the opportunity to maintain and promote the department and the state as well as develop closer business links.

### **Bruce Pettman – China**

Purpose: Inspection of the Ohel Leah Synagogue in Hong Kong to avoid future damage to the fabric of this significant heritage building.

Benefits: Provided the opportunity to maintain and promote the Department and the state as well as develop closer business links.

### **Kristen Thorpe – USA**

Purpose: To represent State records and the NSW Aboriginal Trust Fund Repayment Scheme (ATFRS) at an International research forum workshop on Archives and Indigenous people.

Benefits: Opportunity to showcase the role of ATFRS in NSW and to promote the state international in relation to archives and indigenous issues.

**Margaret Balding – New Zealand**

Purpose: To present a session at the annual conference of the Institute of Strata Title Managers on “Challenging the Consumer Trader and Tenancy Tribunal the best way to present your case”.

Benefits: Opportunity to improve the knowledge and understanding of the Tribunal's procedures and assists in the efficient determination of applications brought before it.

**Rod Hawks – New Zealand**

Purpose: To attend the Standards Australia Electrical Appliance Safety Committee and Electrical Regulatory Authorities Council Equipment Safety Working group.

Benefits: Opportunity to obtain knowledge of product standard developments and product safety issues such to maintain Office of Fair Trading as the leading electrical product safety regulator.

**Daniel Richardson and Steve Griffin – New Zealand**

Purpose: To attend the builders Licensing Australasia Conference.

Benefits: Provided the opportunity to obtain agreement on licensing and mutual recognition arrangements between NSW and other jurisdictions designed to lower entry costs and address skills shortage issues.

**Sonya Thompson and Peter King – New Zealand**

Purpose: To attend the Gas technical Regulators Committee.

Benefits: Provided the opportunity to exchange information interstate and New Zealand colleagues in respect of Office of Fair Trading regulatory responsibility for gas appliance safety.

**Catherine Quealey and Penny Hume – New Zealand**

Purpose: To attend the Australian and New Zealand School of Government Executive Master of Public Administration Masters Course.

Benefits: Provision of NSW public sector personnel with qualifications in public administration.

## Appendix 20 Publications

### Department of Commerce

- Code of Conduct
- Protected Disclosures Policies
- Corporate Standards for Occupational Health and Safety
- Email and Internet usage policies
- Statement of Guarantee of Service
- Privacy Management Plans

Enquiries: The FOI Coordinator, Level 22, McKell Building, 2-24 Rawson Place, Sydney between the hours of 9am – 5pm Monday to Friday. Telephone: (02) 9372 8720  
Facsimile: (02) 9372 8733

### Office of Fair Trading

Office of Fair Trading publications are available from:

- the Fair Trading website at: [www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au)
- any one of 24 Fair Trading Centres located across NSW (see Appendix 20 Commerce offices for contact details)
- the NSW Government Online Bookshop.

### Office of Industrial Relations

The Office of Industrial Relations has the following policy documents available for inspection and/or purchase:

- Corporate Plan
- Charging and Pricing Guidelines
- Various policies and procedures relating to work specification and operational matters, including:
  - Guidelines for Accepting Industrial Complaints
  - Workplace Targeting Policy & Procedures

Note: Where copies of policy documents are required, a photocopy fee of 20 cents per sheet is payable. However, in all cases, documents are only charged for when the total value of an individual request is \$10.00 or more.

Enquiries: Industrial Relations also has a variety of current brochures, pamphlets, newsletters and booklets containing information on New South Wales industrial relations matters available to interested members of the public, some free of charge and others for a nominal fee.

A full list of these publications is available on the Industrial Relations website [www.industrialrelations.nsw.gov.au](http://www.industrialrelations.nsw.gov.au)

### **Office of Public Works and Services**

A range of publications about project management, architecture and water services is listed under Office of Public Works and Services at:

<http://www.dpws.nsw.gov.au/About+Us/Publications/Publications.htm>

A range of fees apply.

### **Office of NSW Procurement**

A range of publications can be found on the following websites:

#### **Government procurement policy and strategy**

[www.dpws.nsw.gov.au/Government+Procurement/Government+Procurement+Publications/Government+Procurement+Publications.htm](http://www.dpws.nsw.gov.au/Government+Procurement/Government+Procurement+Publications/Government+Procurement+Publications.htm)

#### **Gateway Reviews**

[www.dpws.nsw.gov.au/Government+Procurement/Gateway+Review+Process/Gateway+Review+Process.htm](http://www.dpws.nsw.gov.au/Government+Procurement/Gateway+Review+Process/Gateway+Review+Process.htm)

#### **Construction Procurement Publications**

[www.dpws.nsw.gov.au/Government+Procurement/Government+Procurement+Publications/Construction+Procurement+Publications.htm](http://www.dpws.nsw.gov.au/Government+Procurement/Government+Procurement+Publications/Construction+Procurement+Publications.htm)

#### **Procurement System for Construction**

[www.dpws.nsw.gov.au/Government+Procurement/Procurement+System/Procurement+System.htm](http://www.dpws.nsw.gov.au/Government+Procurement/Procurement+System/Procurement+System.htm)

#### **Service Provider Prequalification Schemes**

For Prequalification Schemes for contract works of various types and value ranges

[www.dpws.nsw.gov.au/Tenders/Construction+Suppliers/Prequalification+Schemes.htm](http://www.dpws.nsw.gov.au/Tenders/Construction+Suppliers/Prequalification+Schemes.htm)

#### **Security of Payment Act Information Package**

[www.dpws.nsw.gov.au/Government+Procurement/Security+of+Payment/Security+of+Payment.htm](http://www.dpws.nsw.gov.au/Government+Procurement/Security+of+Payment/Security+of+Payment.htm)

#### **Goods and services procurement**

For goods and services period contracts and related guideline documents

[www.contractservices.nswp.commerce.nsw.gov.au/Home.htm](http://www.contractservices.nswp.commerce.nsw.gov.au/Home.htm)

#### **Electronic Tenders**

<https://tenders.nsw.gov.au/commerce/index.cfm>

#### **State Contracts Control Board**

[www.dpws.nsw.gov.au/Government+Procurement/State+Contracts+Control+Board.htm](http://www.dpws.nsw.gov.au/Government+Procurement/State+Contracts+Control+Board.htm)

#### **Government Gazettes**

[www.advertising.nswp.commerce.nsw.gov.au/Home.htm](http://www.advertising.nswp.commerce.nsw.gov.au/Home.htm)

#### **Government Chief Information Office**

A range of publications and guidelines about information and communications technology are available at: [www.gcio.nsw.gov.au/docs.asp](http://www.gcio.nsw.gov.au/docs.asp)

## **Appendix 21 Research and development**

### **Office of Industrial Relations**

#### **Parental Leave in Australia– access, utilisation and efficacy**

The project is an Australian Research Council linkage project to which OIR has provided funding. The project, being undertaken by Associate Professors Marian Baird of Sydney University and Gillian Whitehouse of Queensland University, is in the final stage of a three year study. The purpose of this research is to fill the gaps in work and family information for policy development because no other single source collects the relevant information. Analysis of the data collected from Stage 1, a national survey of 3,500 mothers of infants of young children, was finished last year with the findings made available on the OIR website. Organisational case studies will be completed shortly. The final stage of the research includes household interviews and a report to the industry partners next year.

#### **Negotiating Caring and Employment – impact on carers' wellbeing**

This is also an Australian Research Council (ARC) linkage project. This project, being undertaken by Chief Investigators at the Social Policy Research Centre, is in the final year of a two year study. The purpose of the research is to collect information on the barriers to continuing employment or re-entry into the labour market on account of caring responsibilities for ageing or disabled family members. A report will be provided to OIR in the second half of 2007.

#### **The Impact of Changes in National Work Regulation on Vulnerable Workers**

Produced by the Women and Work research group at the University of Sydney, the report is the second stage of a national research project conducted by Women in Social and Economic Research at Curtin University to which the Office of Industrial Relations has contributed funding. The first stage of research produced the Women's pay and conditions in an era of changing workplace regulations: Towards a 'Women's Employment Status Key Indicators' database. The second stage report is expected in the second half of 2007.

#### **New South Wales Industrial Relations Survey**

To inform future policy development in NSW and provide parity with similar survey research conducted across other state jurisdictions, OIR commissioned the Australian Centre for Industrial Relations Research and Training (now the Workplace Research Centre) to conduct a comprehensive benchmarking survey of workplaces across New South Wales. The results of that survey were reported in April 2007. The survey is available to the public on the OIR website.

#### **Enforceable Rights Project**

The Workplace Research Centre has been commissioned by OIR to accurately identify changes in employment conditions from a base of state and federal awards to new collective agreements under the Work Choices legislation. The results of the survey will provide valuable information about the impact of the federal government's workplace relations model. This will in turn inform policy development aimed at ensuring that there are fair employment standards and safeguards in New South Wales. The results of the analysis will be provided to OIR in stages with the first report in August 2007.

#### **Employers Greenfields Agreements**

The Work and Employment Rights Research Centre at Monash University has been commissioned to analyse 105 Employer Greenfield Agreements lodged by New South Wales employers with the Office of Employment Advocate (now the Workplace Authority). Similar to the Enforceable Rights Project, the Employers Greenfields survey will provide valuable information about the impact of the federal government's workplace relations model and will thus inform policy development about ensuring that there are fair employment standards and safeguards in New South Wales. The report is due August 2007.

## National Industrial Relations Conference

OIR coordinated a national industrial relations conference on behalf of the joint State and Territory Governments, this being the second such conference in this series. The one day *Fair Go From Here?* conference was held on 24 August 2006 and engaged prominent thinkers and speakers in industrial relations, constitutional law and advocacy to discuss the federal government's industrial relations changes and to explore ways forward in the new industrial environment. Speakers included Professor Andrew Stewart, Professor Ron McCallum and Associate Professor Joellen Riley.

## Office of Public Works and Services

NSW Water Solutions continues to be involved in research and development in fishway designs, in conjunction with fish biologists, to improve functionality at reduced construction costs. This has led to cost reductions of around \$0.5 million or 20 per cent for each major fishway structure.

Innovative concept designs for fishways are also being achieved by examining flow characteristics for weirs and river structures.

NSW Water Solutions also continued its membership of the NSW Dams Safety Committee and the NSW Dams Surveillance Sub-committee for the research, review and preparation of guidelines for dam safety in NSW.

NSW Water Solutions partnerships have been strengthened with research establishments including:

- Newcastle University Urban Water Research Program
- Cooperative Research Centre for Water Quality and Treatment; involving water quality modelling of storages and reservoirs.

Surveying and Spatial Information Services' development of a web based information system for the Sydney Harbour Foreshore Authority utilising Google Earth has opened a new platform for the delivery of mapping projects to clients.

MHL has continued to contribute to research and development in Algal Bloom Warning System development, enhancements to flow monitoring devices calibration facility and enhancements to the electronic data management/archive system.

MHL has also contributed to research and development of environmental data transfer directly from field data loggers by GPRS modems and ADSL broadband internet systems to provide near real-time data from the NSW coastal zone hydrological data network.

## NSW Procurement

### Government Chief Information Office

GCIO liaises with a number of research and development organisations where relevant research and development activities and information are relevant to government ICT planning and services. This includes working closely with National ICT Australia (NICTA) and Smart Services Cooperative Research Centre.

NICTA - a Research Institute and Centre of Excellence in science and technology innovation that brings together many of Australia's and the world's top researchers in ICT. NICTA combines excellence in research, education, commercialisation and collaboration.

Smart Internet Technology Cooperative Research Centre (Smart Internet) - an incorporated joint venture between industry, leading universities and state governments. Its key purpose is to develop new technologies in the Smart Internet arena, carrying out world-class research into disruptive internet technologies that have global commercial opportunity.

## Appendix 22 Significant judicial decisions

### Office of Fair Trading

#### ***Home Building Amendment (Statutory Warranties) Act 2006***

In the decision made by the Court of Appeal, a person who has previously taken legal proceedings against a contractor for breach of statutory warranty could not bring further proceedings for breach of warranty in respect of a different deficiency that existed at the time of the completion of the work. The later proceedings could not be brought even if the person was not aware of the deficiency concerned at the time of bringing the first proceedings - the deficiencies are treated as one composite breach of warranty. The decision significantly impacted consumer access to redress for deficient building work. The Government, via the *Home Building Amendment (Statutory Warranties) Act*, amended the *Home Building Act 1989* in November 2006 to enable a home owner to take further legal proceedings against a building contractor for a breach of statutory warranty. This covers latent defects that become apparent after earlier legal proceedings between the home owner and the contractor relating to other defects have been concluded.

### Office of Industrial Relations

OIR prepared submissions and supported the position of the Minister and the Government in response to a variety of significant cases and inquiries at both the state and federal level.

#### **High Court Challenge to the Work Choices Legislation**

On 14 November 2006, the High Court handed down its decision in the constitutional challenge to Work Choices legislation mounted by the joint States and some trade unions (*New South Wales v Commonwealth of Australia; Western Australia v Commonwealth of Australia* [2006] HCA 52 (14 November 2006)). All challenges were rejected by the majority decision (Gleeson CJ, Hayne, Gummow, Crennan and Heydon JJ). Kirby J and Callinan J dissented.

The majority found the Work Choices legislation to be constitutionally valid, dismissing the arguments of the states regarding maintenance of the federal balance, and holding that the corporations power (s51(20) of the Constitution) could be interpreted and used very broadly. In practical terms, this means that the *Workplace Relations Act* now covers the field with respect to all laws about the relationships between employers and employees where the employer is a constitutional corporation. Any state laws which purport to relate to such persons are excluded by virtue of ss16-18 of the WR Act, with the exception of laws about the non-excluded matters listed at ss16 and 17.

The decision has potential repercussions beyond the field of industrial relations, as it confirms the capacity of the Commonwealth to enact laws on just about any topic, including issues ordinarily within the jurisdiction of the states, as long as there is a sufficient nexus with constitutional corporations.

#### **The Transport Industry - Mutual Responsibility for Road Safety (State) Award 2006**

The Industrial Relations Commission of NSW made this award in November 2006, in response to a claim filed by the Transport Workers' Union in early 2005. The claim sought an award and a contract determination in relation to various safety issues in the long haul trucking industry, including the formulation and implementation of safe driving plans, relevant training, and the implementation of a drug and alcohol policy. The Minister intervened, opposing the main elements of the claim on the basis that the *OH&S Act* and transport industry specific OH&S regulations which came into force in March 2006 are the appropriate means of regulation, making a new award unnecessary. However, the Commission decided to make an award including most of the elements of the TWU claim. A contract determination in the same terms was also made.

The Commission also made it clear that the new award will apply to all relevant employers in NSW, whether they are constitutional corporations or not. In other words, enterprises in the

industry which have federal awards and agreements are also bound by the provisions of the new award. The Commission determined that it was able to do so on the basis that the Workplace Relations Act specifically excludes certain matters from its coverage (in this case, OHS) and state tribunals are therefore able to make awards in this area.

### **Child Employment Principles Case**

The *Industrial Relations (Child Employment) Act 2006* (the Act) came into operation on 1 December 2006. The Act establishes a safety net based on minimum conditions contained in comparable NSW awards and industrial relations legislation. It applies to child employees under the age of 18 employed by constitutional corporations where their employment is covered by Work Choices agreements and other arrangements entered into after 27 March 2006. The Act required the Industrial Relations Commission of NSW to establish principles for the industrial courts to apply when they are called on to determine whether a particular child has suffered a detriment as compared with the conditions the comparable state award would have provided.

On 22 May 2007 the Commission, after hearing evidence from a wide range of interested parties, handed down its decision in the Child Employment Principles Case 2007. The Minister for Industrial Relations intervened in the proceedings, making substantive submissions about the experiences and welfare of children who work. The Principles make it clear that if the employer does not provide the child with certain minimum conditions a net detriment will result to the child. These conditions include those contained in provisions relating to the child's base rate of pay and work-related allowances as well as those that contain special requirements for the employment of children.

### **Tristar**

On 8 February 2007 the Minister initiated an Inquiry by the Industrial Relations Commission of NSW into the ongoing dispute between Tristar Steering and Suspension Australia Ltd (Tristar) and its employees, where the employees remained 'on the books' but idle, and therefore unable to access redundancy entitlements.

Tristar challenged the jurisdiction of this Inquiry but the full bench of the Industrial Relations Commission rejected this challenge. Tristar took its challenge to the Federal Court, where two interlocutory judgments failed to support the challenge, enabling the Commission to continue its hearings. Ultimately however, when the substantive issues came before the Full Federal Court, the Court held that the Commission had no jurisdiction to conduct the Inquiry and ordered that the Commission be restrained from doing so. As such, the Inquiry initiated by the Minister has now ceased.

### **State Wage Case**

On 8 December 2006, Unions NSW made an application under s51 of the *Industrial Relations Act 1996* seeking a general wage increase of four per cent in awards and work related allowances. In response, noting the importance of the award system in providing a fair safety net, the Minister for Industrial Relations proposed a responsible and economically sustainable increase of \$20 per week to certain award wages.

The Full Bench of the Industrial Relations Commission of NSW handed down its decision on 8 June 2007, awarding a flat increase of \$20 per week, a four per cent increase in existing allowances and junior rates, and increasing the Award Review Classification Rate by \$27, to \$531.40. In doing so, the IRC of NSW affirmed the position advanced by the Minister which was that the New South Wales economy has the capacity to sustain a moderate increase in minimum award wages without having a negative impact on growth or employment.

## **Appendix 23 State Contracts Control Board**

### **Overview**

The NSW State Contracts Control Board (SCCB), which reports to the Minister for Commerce, is established under the *Public Sector Employment and Management Act 2002*. The Board's role and functions are set out in the Public Sector Management (Goods and Services) Regulation 2000.

Membership of the SCCB includes representatives from the central, budget and non-budget agencies. It assists the Government to develop consistent and effective non-construction related procurement practices, and promote the application of these practices by departments and agencies.

The SCCB is also the Government's central procurement and contracting authority for the provision of common use goods and services for the New South Wales public service and is responsible for the disposal of goods for the public service.

The SCCB oversees the implementation of the Government's procurement policies and reviews and authorises high value, high impact whole of government contracts and business contracts of its major clients.

Tendering and contracting functions on behalf of the SCCB are undertaken by Contracting Services, a business unit of NSW Procurement. Contracting Services operates a centralised goods and services procurement facility for the NSW Government, currently managing upwards of \$3 billion of expenditure each year, from a total annual government goods and services expenditure of an estimated \$12 billion. It contributes significantly to the improvement of NSW government procurement outcomes, achieving better value for taxpayers and reducing the operating costs of government through:

- aggregation of government procurement across agencies
- establishment and ongoing management of State Contracts
- centralisation of indirect category procurement
- sustainable market creation and development
- development of procurement business solutions and practices for agencies.

NSW Procurement manages the Agency Accreditation Scheme for Goods and Service procurement on behalf of the SCCB. The Scheme facilitates improvement in government procurement capability by avoiding duplication, reducing operating costs and improving procurement outcomes.

### **Procurement reform**

Premier's Memorandum 2006 –11 on NSW Procurement Reform was released in July 2006 and gave effect to a number of procurement reform initiatives. The aim of these was to get better value for agencies from procurement and build on the investment in procurement systems and capability made by the Government.

Supporting policy was introduced in July 2006, requiring:

- all agencies to use the SCCB whole-of-government contracts effective immediately
- the development and introduction of an Agency Accreditation scheme for goods and services by July 2007
- all major agencies to implement electronic procurement of their goods and services by June 2007, with smartbuy® being the Government's default electronic procurement system
- all agencies to make their Requests for Tender documentation and tenders available to be lodged through [www.tenders.nsw.gov.au](http://www.tenders.nsw.gov.au).

These requirements apply to all statutory authorities, trusts and other government entities, excluding state owned corporations.

A briefing for agencies was held on 8 August 2006 with over 200 agency representatives in attendance. NSW Procurement manages the Agency Accreditation Scheme for Goods and Service procurement on behalf of the SCCB. The Scheme facilitates improvement in government procurement capability by avoiding duplication, reducing operating costs and improving procurement outcomes.

The NSW Government recognises that there are significant opportunities for agencies to realise substantial benefits by better utilising their collective buying power and by using procurement expertise and systems more collaboratively

These reforms will assist the NSW Government to achieve efficient resource allocation, agency accountability through a whole-of-government approach and sound procurement practice while promoting procurement capacity and competence.

## Membership of the SCCB

The SCCB, which meets monthly, is made up of senior representatives from central agencies and major purchasing departments and authorities, and provides a formal structure for user participation in the contracting system.

The members at 30 June 2007 were:

- Mr Alan Marsh (Chair), Acting Director-General, Department of Commerce
- Mr Ken Barker, Chief Financial Officer, Department of Health
- Dr Elizabeth Coombs, Assistant Director-General, Premier's Department.
- Ms Janine Ricketts, Executive Director, Business Strategy, Department of State and Regional Development
- Ms Barbara Soiland, R/Director, Financial Accounting, Department of Education and Training
- Mr John Schmidt, Deputy Director-General, The Cabinet Office
- Mr Tim Rogers, Executive Director, Sustainability Programs Division, Department of Environment and Conservation (NSW)
- Mr Ed Shestovsky, Director, Asset Management and Procurement, NSW Treasury.
- Ms Fran McPherson, Executive Director, Corporate Services, NSW Police
- Mr Rod Tout, Director Corporate Services and Reform, Roads and Traffic Authority.

## SCCB contracts

In 2006/07, the SCCB contracts recorded \$3.6 billion spend compared to \$3.41 billion in 2005/06 indicating a growth in the use of contracts by eligible client organisations.

### SCCB contracts administered in 2006/07

Contract No	Contract Description	Start Date	Duration (years)
123	Office Furniture	01-Jan-06	2.4
206	Air Conditioning Units	01-Jul-05	3.0
217	Patient Requirements	01-Dec-05	1.8
218	IV Administration	01-Oct-03	4.0
247	Executive Furniture	01-Jun-03	5.0
250	Continance & Sexual Health	01-Aug-03	4.0
252	Dental Consumables	01-Nov-06	2.5
259	Surgical Dressings	01-Jul-06	3.0
264	Wound Care Products	01-Jan-03	5.0
265	Electromedical Electrodes & Accessories	01-Dec-03	4.0
278	Electrical Appliances	01-Oct-05	3.0
293	Fire Extinguishers, Supply, Implementation and maintenance	01-Oct-01	5.9
295	Floor Coverings And Window Furniture	01-Jul-05	4.0
305	Outdoor & Recreational Furniture	01-Jun-03	4.0
308	Workstations	01-Apr-05	4.0
312	Industrial Gases	01-Nov-00	6.7
313	Medical Gases Bulk & Compressed	01-Jul-01	6.0
318	Respiratory Consumer & Medical Gases	01-May-06	3.0
349	Liquefied Petroleum Gas (Lpg)	08-Feb-04	4.0
352	Lubricating Oils And Greases	01-Nov-06	3.0
365	Journal Subscriptions	01-Aug-02	5.0
366	Fuel & Associated Products	01-Jul-06	3.0
367	Tyres & Other Ancillary Services	02-Dec-02	5.0
369	Motor Mowers	24-Mar-03	4.9
381	Clothing And Footwear (Sport Etc	01-Jul-03	5.0
407	Food Service & Catering Products	01-Oct-06	1.0

<b>Contract No</b>	<b>Contract Description</b>	<b>Start Date</b>	<b>Duration (years)</b>
439	Misc Medical & Surgical Devices	01-Nov-06	3.0
451	Timber, Building Boards, & Assoc	01-Oct-02	4.0
491	Medical Imaging, Processing Chemicals	01-Aug-06	2.0
500	Hardware, Ind, Construct & Elect	01-Oct-05	3.0
506	Office Supplies	01-Jul-05	2.5
603	Vehicle Disposal (New)	14-Apr-03	4.6
604	Motor Vehicle Disposal In Region & Trucks	17-Nov-03	4.0
622	Removal of deceased persons (and interment of deceased without means)	01-Feb-04	4.0
630	Courier & Delivery Service	18-Apr-00	7.3
646	Laboratory Consumables	01-Sep-04	3.0
653	Acquisition Of Motor Vehicles	01-Apr-04	4.0
657	Hire Cars	01-Aug-03	4.0
660	Rental Cars & Commercial Vehicle	01-Jan-03	4.0
682	Sanitary & Nappy Disposal	01-Jun-02	6.0
689	Needles & Syringes	01-Feb-04	3.8
694	Surgical Sutures	01-Apr-06	2.0
697	Waste Removal (New)	01-Aug-02	5.3
956	Electromedical Equipment	01-Feb-04	4.8
1008	Air Travel & Related Services	01-Dec-05	3.0
1078	Labour Hire Admin, Finance	01-Jul-03	5.0
1250	Furniture For Det	01-Jul-04	4.0
1618	Housekeeping Products	01-Apr-05	3.0
2000	Computers - File Servers, Etc.	01-Nov-01	5.7
2001	Whole of Government Consultancy Panel	01-Mar-03	5.0
2023	Videoconferencing Equipment	21-Apr-04	3.9
2024	Telephone H/Sets	01-Mar-01	6.5
2025	Mobile Cell & Sat Phones	01-Dec-00	6.7
2036	Software Development Services	01-Oct-04	4.0
2067	Site Cabling	01-Nov-03	4.0
2069	Data Comm Lan/Wan & Consultancy	01-May-04	3.3
2143	Gsas Integrated Management System	01-Jan-04	4.0
2302	Paging Eqpt & Services	01-Dec-00	6.7
2305	Internet Services & Products	1-Nov-02	4.3
2306	PABX & Key Telephone Systems	01-Nov-99	7.8
2310	Common Use Software – Microsoft	21-Nov-00	7.6
2311	Oracle Software	25-Jul-01	6.5
2312	IBM Software	17-Dec-01	6.5
2313	Novell Software	06-Mar-02	5.3
2314	Computer Associates Software	24-Dec-01	5.9
2315	Sybase Software	01-Jan-03	5.4
2319	Info Security & Products	01-Nov-01	5.9
2321	Gsas-Human Resources Management	03-Dec-02	5.1
2322	Gsas-Financial Management System	01-Apr-03	4.3
2323	Gsas-Records Info. Mgt System	10-Sep-02	4.8
2390	Imaging Devices & Document Solu	01-Jan-06	3.0
2573	Two Way Radios (Mob & Fix)	01-Jul-02	5.0

Contract No	Contract Description	Start Date	Duration (years)
2747	DET - Internet And Email	01-Jan-02	6.0
2921	Fire Fighting Equipment For NSW Fire	01-Aug-06	3.0
2922	Breathing Apparatus Hazmat Absorbent Agents	01-Oct-06	3.0
2923	Foam & Foam Making & Rescue	01-Oct-06	3.0
2946	Rescue Equipment For NSW SES	01-May-03	4.0
2947	Clothing & Safety Gear NSW SES	01-Jul-03	4.0
3000	Disposable Drapes	01-Nov-05	3.0
3003	Infant Care Products	01-Jul-03	5.0
3004	Endosurgical Instruments	01-Aug-04	3.0
3006	Medical & Surgical Gloves	1-Nov-02	4.0
3007	Bottled Drinking Water	01-Jul-02	5.3
3008	Clinical Protective Products	01-Aug-05	3.0
3009	Gowns & Aprons	01-May-03	5.0
3011	Sharps Disposal Systems	01-Feb-04	3.8
4000	Natural Gas	01-Feb-06	1.7
6034	Recycling Services	01-Nov-03	3.0
6036	Non-SES Salary Packaging	1-Dec-03	4.0
6037	Pest Control Services	01-Apr-04	3.0
6083	Secure Destruction Services	01-Aug-04	4.0
7059	036/6037 Pest Control Services	01-Apr-04	4.0
7115	046/6083 Secure Destruction Services	01-Aug-04	3.0
7174	015/7059 Alcohol Test Kits & Ancilliary	01-Oct-01	5.0
7059	069/7115 Direct Supply of General Stores	01-Aug-06	3.0
7253	Duress Alarm	01-Nov-03	5.0
202878	0202878 - Supply of Ammunition, NSW Police	07-Jul-03	4.0
203185	0203185 - Protective Clothing, NSW RFS	01-Jul-03	4.0
300022	0300022 Removal & Relocation Demountable	01-Oct-03	4.0
300428	0300428 NSWFB Footwear & Gloves	01-Nov-03	4.0
400100	0400100 Dry Cleaning Services	01-Jul-04	3.0
400273	0400273 Power Pumping Units	01-Jun-05	3.0
400501	0400501 Multi Purpose Helmets	01-Jul-04	3.0
(2271)05-10	MC NSW Police Academy (2271) 05-10	04-Jan-06	5.0
(6015)00-05	RBG (6015) Waste Removal 00-05	20-Nov-06	3.0

#### Major contracts established in 2006/07

Contract No	Contract Description	Start Date	Duration (years)
252	Dental Consumables	01-Nov-06	2.5
259	Surgical Dressings	01-Jul-06	3
352	Lubricating Oils and Greases	01-Nov-06	3
366	Fuel & Associated Products	01-Jul-06	3
407	Food Service & Catering Products	01-Oct-06	1
439	Misc Medical & Surgical Devices	01-Nov-06	3
491	Medical Imaging, Processing Chemicals	01-Aug-06	2
777	Retail Supply Of Electricity	01-Jul-06	3
904	IV & Irrigating Solutions	01-Jul-06	2

**Top 10 contracts by sales volume**

<b>Contract No</b>	<b>Contract Description</b>	<b>Sales Volume in 2006/07</b>
653	Acquisition of Motor Vehicles	\$ 807,732,000
366	Fuel – Motor Spirit and Petroleum Products	\$ 245,752,679
881	IT Contracting Personnel	\$ 182,381,824
DITM 2000-01	Telecommunication Services Agreement	\$ 180,691,254
1078	Labour Hire, Admin, Finance, Specialists	\$ 178,794,752
2000	Computer – File Servers, etc	\$ 153,800,179
901	Pharmaceuticals	\$ 125,435,766
2310	Common Use Software – Microsoft	\$ 105,882,408
801	Food Service	\$ 82,950,437
777	Retail of Electricity	\$ 67,060,958

**SCCB tendering complaints handling function**

The Chairperson of the SCCB is responsible for dealing with complaints about all NSW Government tenders. The Chairperson investigates complaints to determine whether any tenderer has been treated unfairly and to examine whether the procurement process was appropriate and in accordance with NSW Government procurement policies and procedures.

During the year, the Chairperson received three complaints under the SCCB Tendering Complaints Handling Procedures, in relation to tenders for the procurement of goods and services. All complaints were investigated and agencies advised where any departures from NSW Government procurement policies or procedures were identified. None of the complaints involved a significant departure from NSW Procurement policies and procedures.

**SCCB competitive neutrality tendering complaints**

The SCCB, as an extension of its complaint handling process, has been appointed the complaints handling body to review competitive neutrality complaints about tendering for government business. The Board deals with any competitive neutrality tendering complaints referred to it by the relevant Minister.

During the year, no complaints were referred to the SCCB.

**Statutory reporting requirements**

The SCCB has a statutory requirement to report:

- details of investigations relating to competitive neutrality tendering complaints referred to it by the relevant Minister
- details of any directions given to the SCCB by the Minister under the Public Sector Management (Goods and Services) Regulation 2000.

During 2006/07, no competitive neutrality tendering complaints were referred to the SCCB for investigation.

During 2006/07 there were no directions given to the SCCB by the Minister under the Public Sector Management (Goods and Services) Regulation 2000.

## Appendix 24 Commerce offices

### Department of Commerce

McKell Building  
 2-24 Rawson Place  
 Sydney NSW 2000  
 Tel: (02) 9372 8877  
 Fax: (02) 9372 7070  
 Business Hours: 8.30am – 5.30pm  
[www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au)

### Corporate Shared Services

#### Department of Lands Building

23 – 33 Bridge Street  
 Sydney NSW 2000  
 Switchboard (02) 9228 6111

#### Parramatta

Level 8, 9 & 13,  
 10 Valentine Ave Parramatta  
 NSW 2124  
 PO Box 3720  
 Parramatta NSW 2124  
 Switchboard (02) 9895 6211

#### Orange

161 Kite Street  
 Orange NSW 2800  
 Tel: (02) 6391 3480  
 Fax: (02) 6391 3329

#### Newcastle

Level 2-3, 26 Honeysuckle Drive  
 Newcastle NSW 2300  
 PO Box 2213  
 Dangar NSW 2309  
 Tel: (02) 4904 2550  
 Fax: (02) 4904 2501

#### Grafton

76 Victoria Street  
 Grafton NSW 2460  
 Postal Locked Bag 10  
 Grafton NSW 2460  
 Tel: (02) 6641 6512  
 Fax: (02) 6641 6641

#### Tamworth

155 - 157 Marius Street  
 Tamworth NSW 2340  
 Po Box 550  
 Tamworth NSW 2340  
 Tel: (02) 6701 9632  
 Fax (02) 6701 9682

#### Wagga Wagga

Level 1 Govt Offices  
 43-45 Johnston Street  
 Wagga Wagga  
 PO Box 10 Wagga Wagga  
 NSW 2650  
 Tel: (02) 6701 9632  
 Fax: (02) 6701 9682

#### Queanbeyan

Suite 107 Level 1  
 Riverside Plaza  
 131 Monaro Street  
 Queanbeyan  
 NSW 2620  
 PO Box 189  
 Queanbeyan NSW 2620

#### Wollongong

Level 3 Block G  
 84 Crown Street Wollongong  
 NSW 2520  
 PO Box 867  
 Wollongong NSW 2520  
 Tel: (02) 4224 9620  
 Fax (02) 4224 9650

## Office of Fair Trading

### Head Office

1 Fitzwilliam Street  
Parramatta NSW 2150  
Tel: (02) 9895 0111  
Fax: (02) 9895 0222  
[www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au)

### Register of Encumbered Vehicles

1 Fitzwilliam Street  
Parramatta NSW 2150  
Tel: 13 32 20 (7 days)  
Fax: (02) 9891 5135

### Rental Bonds

Level 4  
234 Sussex Street  
Sydney NSW 2000  
Tel: (02) 13 32 20  
Fax: (02) 9377 9371

### Standards Laboratory

Bradfield Road  
Lindfield West NSW 2070  
Tel: (02) 8467 4400  
Fax: (02) 8467 4444

### Registry of Cooperatives & Associations

154 Russell Street  
Bathurst NSW 2795  
Tel: (02) 6333 1400 or  
1800 502 042  
Fax: (02) 6333 1444

### Aboriginal Tenancy Information

Tel: 13 32 20 or 1800 500 330

## Fair Trading Centres

Fair Trading Centres are located at the following addresses. Call 13 32 20 for all Fair Trading enquiries. If you are located outside the Sydney metropolitan region, you can contact the Fair Trading Centre nearest you on 13 32 20. Calls to this number from within the Sydney metropolitan region and from all mobile telephones will be received at our Fair Trading Information Centre.

### Albury

490 David Street  
Albury NSW 2640

### Armidale

85 Faulkner Street  
Armidale NSW 2350

### Bathurst

154 Russell Street  
Bathurst NSW 2795

### Blacktown

Level 3  
22 Main Street  
Blacktown NSW 2148

### Broken Hill

32 Sulphide Street  
Broken Hill NSW 2880

### Coffs Harbour

22 Park Avenue  
Coffs Harbour NSW 2450

### Dubbo

50 Wingewarra Street  
Dubbo NSW 2830

### Gosford

Level 2  
237 Mann Street  
Gosford NSW 2250

### Goulburn

39 Goldsmith Street  
Goulburn NSW 2580

### Grafton

50 Victoria Street  
Grafton NSW 2460

### Hurstville

Level 3  
4-8 Woodville Street  
Hurstville NSW 2220

### Lismore

Suite 5  
17 Conway Street  
Lismore NSW 2480

### Liverpool

Shop 1R 33 Moore Street  
Liverpool NSW 2170

### Newcastle

Level 5  
400 Hunter Street  
Newcastle NSW 2300

### Orange

184-186 Lords Place  
Orange NSW 2800

### Parramatta

1 Fitzwilliam Street  
Parramatta NSW 2150

### Penrith

518 High Street  
Penrith NSW 2750

### Port Macquarie

143 Horton Street  
Port Macquarie NSW 2444

### Queanbeyan

Shop T7 Citylink Plaza  
Morisset Street  
Queanbeyan NSW 2620

### Sydney CBD

McKell Building  
2-24 Rawson Place  
Sydney NSW 2000

### Tamworth

Cnr Kable Ave & Darling Street  
Tamworth NSW 2340

### Tweed Heads

43 Wharf Street  
Tweed Heads NSW 2485

### Wagga Wagga

8 Baylis Street  
Wagga Wagga NSW 2650

### Wollongong

63 Market Street  
Wollongong NSW 2500

## Office of Industrial Relations

### Head Office

Level 23 McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: 131 628  
Fax: (02) 9020 4700  
[www.industrialrelations.nsw.gov.au](http://www.industrialrelations.nsw.gov.au)  
Business hours: 8.30am to 5.00pm

### Award Enquiry Service

Tel: 131 628 (from anywhere  
in NSW)  
1800 356 648 (from outside  
NSW)  
Fax: (02) 9020 4741

## Office of Industrial Relations Centres

### Sydney CBD

Level 23 McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: 131 628  
Fax: (02) 9020 4700

### Penrith

518 High Street  
Penrith 2750  
Tel: 131628  
Fax: (02) 9020 4739

### Bankstown

Suite 1 Main Court Capital  
Centre  
41-45 Rickard Rd  
Bankstown NSW 2200  
Tel: 131 628  
Fax: (02) 9782 3099

### Coffs Harbour

Suite 49 Jetty Village Shopping  
Centre  
Cnr Orlando and High Streets  
Coffs Harbour NSW 2450  
Tel: 131 628  
Fax: (02) 6652 2863

### Newcastle

Level 3  
97 Scott St  
Newcastle NSW 2300  
Tel: 131 628  
Fax: (02) 4929 1180

### Wollongong

Level 2 Block F  
84 Crown Street  
Wollongong NSW 2500  
Tel: 131 628  
Fax: (02) 4251 1888

## Government & Related Employees Appeal Tribunal & Transport Appeals Board

Level 2  
1 Oxford Street  
Darlinghurst NSW 2010  
Tel: (02) 9020 4750  
Fax: (02) 9020 4790

## Office of NSW Procurement

### Communications and Advertising

Level 9 McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8959  
Fax: (02) 9372 7422  
[www.advertising.nswp.commerce.nsw.gov.au](http://www.advertising.nswp.commerce.nsw.gov.au)

### Advertising

Tel: (02) 9372 7603

### Government Gazette

Tel: (02) 9372 7407

### Public Sector Notices

Tel: (02) 9372 7412

### jobs.nsw

Tel: (02) 9372 7435

<http://jobs.nsw.gov.au>

### eBusiness Solutions

Level 10 McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
smartbuy@  
Tel: 1800 003 985  
Fax: (02) 9372 8077  
Email: smartbuy-  
infocentre@commerce.nsw.gov.au  
[www.smartbuy.nsw.gov.au](http://www.smartbuy.nsw.gov.au)

### eTendering

Tel: (02) 9372 8333

Fax: (02) 9372 8077

Email:

eBS\_supportdesk@commerce.nsw.gov.au

[www.tenders.nsw.gov.au](http://www.tenders.nsw.gov.au)

**Policy Support Services**

Level 11 McKell Building  
 2-24 Rawson Place  
 Sydney NSW 2000  
 General Enquiries  
 Tel: (02) 9372 8600  
 Fax: (02) 9372 8844  
 Email: [gpshep@commerce.nsw.gov.au](mailto:gpshep@commerce.nsw.gov.au)

**Gateway Reviews**

Tel: (02) 9372 8600  
 Email: [gateway@commerce.nsw.gov.au](mailto:gateway@commerce.nsw.gov.au)

**Procurement System for Construction**

Tel: (02) 9372 8600  
 Email: [gpshep@commerce.nsw.gov.au](mailto:gpshep@commerce.nsw.gov.au)

**Tender Section**

Level 10 McKell Building  
 2-24 Rawson Place  
 Sydney NSW 2000  
 Tel: (02) 9372 8900  
 Fax: (02) 9372 8922  
 Email: [tenders@commerce.nsw.gov.au](mailto:tenders@commerce.nsw.gov.au)  
<https://tenders.nsw.gov.au/commerce>

**Government Chief Information Office**

Level 21 McKell Building  
 2-24 Rawson Place  
 Sydney NSW 2000  
 Tel: (02) 9372 8278  
 Fax: (02) 9372 8299  
 Email: [info.gcio@commerce.nsw.gov.au](mailto:info.gcio@commerce.nsw.gov.au)  
[www.gcio.nsw.gov.au](http://www.gcio.nsw.gov.au)

**State Contracts Control Board****State Contracts Control Board**

Level 15 McKell Building  
 2-24 Rawson Place  
 Sydney NSW 2000  
 Tel: (02) 9372 8910  
 Fax: (02) 9372 7533

**Tendering Complaints**

Level 15 McKell Building  
 2-24 Rawson Place  
 Sydney NSW 2000  
 Tel: (02) 9372 8910  
 Fax: (02) 9372 7533

**State Records Authority of New South Wales****Western Sydney Records Centre**

143 O'Connell Street  
 Kingswood NSW 2747

**Sydney Records Centre**

2 Globe Street  
 The Rocks NSW 2000  
 Tel: (02) 9673 1788  
 Fax: (02) 9833 4518  
 Email:  
[srecords@records.nsw.gov.au](mailto:srecords@records.nsw.gov.au)  
[www.records.nsw.gov.au](http://www.records.nsw.gov.au)

**Government Records Repository**

143 O'Connell Street  
 Kingswood NSW 2747  
 Tel: (02) 9673 1788  
 Fax: (02) 8805 5306  
 Email:  
[grr.nsw.@records.nsw.gov.au](mailto:grr.nsw.@records.nsw.gov.au)  
[www.records.nsw.gov.au/grr](http://www.records.nsw.gov.au/grr)

## Office of Public Works and Services

### Central Corporate Services Unit

Level 15 Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000  
Tel: (02) 9228 3400  
Fax: (02) 9228 3292  
Business Hours: 8.00am - 5.30pm

### Government Architect's Office

Level 19 McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8411  
Fax: (02) 9372 8499  
Business Hours: 9.00am - 5.00pm

### Manly Hydraulics Laboratory

110b King Street  
Manly Vale NSW 2093  
Tel: (02) 9949 0200  
Fax: (02) 9948 6185

### NSW Water Solutions

Level 14 McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 7960  
Fax: (02) 9372 7999

### StateFleet

Level 12 McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 7740  
Fax: (02) 9372 7722  
[www.statefleet.opws.nsw.gov.au](http://www.statefleet.opws.nsw.gov.au)  
Business Hours: 8.30am - 5.00pm

### StateFleet Repairs Hotline

Tel: 1800 801 523  
Business Hours: 8.00am – 5.30pm

## Project Management

### Business & Resource Branch

Level 17 McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8671  
Fax: (02) 9372 8866  
Business Hours: 9:00am - 5:00pm

### Project Services Branch

Level 5  
234 Sussex St  
Sydney NSW 2000  
Tel: (02) 9367 0777  
Fax: (02) 9367 0728  
Business Hours: 9:00am - 5:00pm

### Programs Branch

Level 20 McKell Building  
2-24 Rawson Place  
Sydney NSW 2000  
Tel: (02) 9372 8560  
Fax: (02) 9372 8566  
Business Hours: 9:00am - 5:00pm

### Heritage & Building Services Group

236 Richmond Road  
Doonside NSW 2767  
Tel: (02) 9672 5219  
Fax: (02) 9672 5255  
Business Hours: 9:00am - 5:00pm

### Essential Repairs and Services

236 Richmond Road  
Doonside NSW 2767  
Tel: 1800 422 110 (24 Hour Service)  
Tel: (02) 9672 5222  
Fax: (02) 9671 5158

### Heritage Services (Stoneyard)

92 Burrows Road  
Alexandria NSW 2015  
Tel: (02) 9565 9000  
Fax: (02) 9516 2919  
Business Hours: 9:00am - 5:00pm

## Project Management regional offices

### Sydney

#### Regional Office

Level 6&7 Civic Tower  
66-72 Rickard Road  
Bankstown NSW 2200  
Tel: (02) 9795 0777  
Fax: (02) 9795 0888  
Business Hours: 8.00am - 5.00pm

#### Doonside

236 Richmond Street  
Doonside NSW 2767  
Tel: (02) 9672 5111  
Fax: (02) 9672 5255  
Business Hours: 8:30am – 5:00pm

#### Hornsby

16-20 Edgeworth David Avenue  
Hornsby NSW 2077  
Tel: (02) 9472 7900  
Fax: (02) 9477 3356  
Business Hours: 8:30am - 4.30pm

### Hunter/New England

#### Regional Office

117 Bull Street  
Newcastle West NSW 2309  
Tel: (02) 4908 4999  
Fax: (02) 4908 4954  
Business Hours: 8.30am - 4.30pm

#### Tamworth

454-456 Peel Street  
Tamworth NSW 2340  
Tel: (02) 6768 4222  
Fax: (02) 6768 4233  
Business Hours: 8:30am - 5.00pm

**North Coast****Regional Office**

120 Dalley Street  
 Lismore NSW 2480  
 Tel: (02) 6626 5600  
 Fax: (02) 6626 5666  
 Business Hours: 8.30am – 5.00pm

**Coffs Harbour**

359 Harbour Drive  
 Coffs Harbour NSW 2450  
 Tel: (02) 6648 5911  
 Fax: (02) 6648 5905  
 Business Hours: 8.30am – 5.00pm

**Port Macquarie**

Maher Street  
 Port Macquarie NSW 2444  
 Tel: (02) 6586 7800  
 Fax: (02) 6586 7811  
 Business Hours: 8.30am – 5.00pm

**Taree**

Shop 17 Valley Fair Centre  
 112 Victoria Street  
 Taree NSW 2430  
 Tel: (02) 6592 6755  
 Fax: (02) 6592 6767  
 Business Hours: 8:30am-4:30pm

**Riverina/Western****Regional Office**

140 William Street  
 Bathurst NSW 2309  
 Tel: (02) 4908 4999  
 Fax: (02) 4908 4954  
 Business Hours: 9.00am – 4:30pm

**Dubbo**

34 White Street  
 Dubbo NSW 2830  
 Tel: (02) 6885 9333  
 Fax: (02) 6885 9300  
 Business Hours: 9:00am – 5:00pm

**Hay**

414 Moppett Street  
 Hay NSW 2711  
 Tel: (02) 6993 1208  
 Fax: (02) 6993 2137  
 Business Hours: 8:30am - 4.30pm

**Wagga Wagga**

2-6 Coleman Street  
 Wagga Wagga NSW 2650  
 Tel: (02) 6938 2880  
 Fax: (02) 6925 2087  
 Business Hours: 8:30am-5:00pm

**Broken Hill**

Sulphide Street  
 Broken Hill NSW 2880  
 Tel: (08) 8087 9366  
 Fax: (08) 8087 9365  
 Business Hours: 8.00am - 4.30pm

**South Coast****Regional Office**

Block E Level 3  
 84 Crown Street  
 Wollongong NSW 2500  
 Tel: (02) 4226 8500  
 Fax: (02) 4226 8534  
 Business Hours: 9:00am - 5.00pm

**Goulburn**

Level 1 RTA Building  
 211 Bourke Street  
 Goulburn NSW 2580  
 Tel: (02) 4822 2311  
 Fax: (02) 4822 2315  
 Business Hours: 7.30am - 4.00pm

**Moruya**

66 Campbell Street  
 Moruya NSW 2537  
 Tel: (02) 4474 7555  
 Fax: (02) 4474 7544  
 Business Hours: 8:00am - 4.30pm