

2010/11 Annual Report

NSW Department of Finance & Services



Finance
& Services

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Minister for the Illawarra
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The Hon Anthony Roberts MP
Minister for Fair Trading
Level 36
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Ministers

I am pleased to submit the annual report for the NSW Department of Finance and Services for the year ended 30 June 2011 for presentation to Parliament.

This 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



Michael Coutts-Trotter
Director-General

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Director-General's message

Because of a significant restructure of the NSW public service in April 2011, this year's annual report covers the activities and performance of both the Department of Finance and Services and the former Department of Services, Technology and Administration, which was merged with a number of other entities to form the new department.

The report contains detailed information on the scope and make-up of the new organisation.

The Department of Finance and Services has been given a much larger role than the former department. As well as continuing responsibility for government services, public works, fair trading and industrial relations, it now has greater responsibilities in the area of public financial management, state revenue, service delivery improvement, property information and management, asset management (particularly social housing) and the corporate and shared services program.

Clearly, major changes are ahead in 2011/12, and it will take time to implement the reforms and realise the Government's expectations for the new agency.

Looking back on 2010/11, I'm pleased to report that we were able to effectively respond to the needs of our clients and fulfil our responsibilities to the community.

Through our Government Services division, the department contributed to standardising and streamlining shared service functions for government agencies in accord with the corporate and shared service strategy.

StateFleet was one of several government bodies to trial the first mass produced all-electric vehicle to be made available in the Australian marketplace. The Government Licensing Service continued to expand simpler and quicker licensing, with the replacement of 22 systems for 81 types of licences completed by year's end. The system was used to complete 3.6 million transactions, taking advantage of more convenient 24/7 online access to the service.

The State Contracts Control Board continued to pursue strategies to reform the way goods and services are procured for government and guided the procurement of more than \$3.6 billion of goods and services for health, education, police and other government bodies.

The Government is implementing a new strategic approach to the use of information and communications technology (ICT) across government. A dedicated ICT policy unit was established to support new governance arrangements led by an ICT Board of Directors General and a new ICT Advisory Panel will draw on expertise outside government to inform the strategy and its implementation.

NSW Industrial Relations finalised a groundbreaking portable leave entitlement policy for contract cleaners, often among the lowest paid and most vulnerable members of the workforce. The division recovered \$2 million in back pay for workers, including over \$1.5 million recovered as a result of complaint investigations.

NSW Fair Trading continued its work to protect the rights and safety of consumers right across NSW.

Educating and advising businesses of their rights and responsibilities was a high priority throughout the year with a state-wide program of seminars held in metropolitan and regional centres.

The new Government re-established the position of Fair Trading Commissioner to reflect the importance it places on fair marketplaces in the everyday lives of NSW citizens. The new Commissioner, Mr Rod Stowe, has since commenced duty.

The Office of State Revenue continued to improve its services by increasing the range of online transactions available to its clients. In 2010/11, over 86 per cent of stamp duties documents and 99 per cent of payroll tax annual returns were lodged using online services, available 24/7.

A modernised tax and fines collection system, using online technologies, reduces the cost of compliance for clients and makes it easier for them to pay their taxes and fines. The Office plans to roll out more online services in 2011/12.

Land and Property Information continued its project to convert old system and paper-based land title records to an integrated titling system.

Over 8,000 titles were converted, making them available for electronic conveyancing in the future. The Land and Property Information division's workforce development plan, *Vision 2013*, won the 2010 NSW Public Sector award in the Premier's priority category – Increasing Jobs for Young People.

NSW Public Works managed programs and capital works projects worth more than \$1 billion in 2010/11 for agencies and local councils. The projects ranged from major education facilities to recycled water schemes for local government bodies. Importantly for our clients, we met all our targets for delivery on time and on budget.

NSW Public Works personnel were called upon at short notice in early 2011 to join urban search and rescue teams following three major disasters. They were deployed to provide engineering input during the Queensland floods, and in the aftermath of the Christchurch earthquake and the earthquake and tsunami in Japan.

This was extremely dangerous work in atrocious conditions, but their presence was greatly appreciated by local authorities and the affected communities.

In a busy and challenging year our staff did excellent work that has made us a stronger and more effective organisation. I'd like to pass on my appreciation for their efforts and achievements.

I'd also like to acknowledge the contribution of Mr Peter Duncan, who led the former department for most of the year and left it well prepared to take on the challenges given us by the new Government.

Finally, one of our highly regarded colleagues, Anthea Kerr, Assistant Director-General, Policy passed away suddenly in April 2011.

Her passing was a loss felt deeply by her family, friends and colleagues. In her time with the department she saw in wide-ranging and important reforms which will have a lasting positive impact on the community and the department.

She is sadly missed as a colleague and a friend by a great many people in our department and across the NSW public sector.

A handwritten signature in black ink, appearing to read 'M. Coutts-Trotter', with a stylized flourish at the end.

Michael Coutts-Trotter
Director-General

Department of Finance and Services

Who we are

On 4 April 2011, the Department of Services, Technology and Administration was renamed as the Department of Finance and Services pursuant to the *Public Sector Employment Management (Departments) Order 2011*, as amended by the *Public Sector Employment Management (Departments and Ministers) Order 2011*. The order also had the effect of including Land and Property Information (formerly part of the former Land and Property Management Authority), the Office of State Revenue (formerly part of NSW Treasury) and a number of other staffing groups and functions. More detail is provided in the organisation section of this report. These changes were a result of a restructure of NSW government agencies implemented by the Department of Premier and Cabinet.

The Department of Finance and Services is a service provider, regulator and central agency of government. It is responsible for supporting sustainable government finances, major public works and maintenance programs, government procurement, information and communications technology, corporate and shared services, consumer protection, workplace relations, administration of State taxation and revenue collection, NSW land and property administration services and metropolitan water policy.

The department also supports the Minister for Finance and Services to oversee the operating licences of metropolitan water utilities and act as a shareholder in public energy utilities.

The Department of Finance and Services is a cluster agency comprised of a number of divisions and related entities:

Divisions

At 30 June 2011, the principal Department of Finance and Services comprised the administrative divisions of:

- Corporate Services
- Government Services
- Land and Property Information
- Legal and Governance
- NSW Fair Trading (Operations)
- NSW Fair Trading (National Reform Agenda)
- NSW Industrial Relations
- NSW Public Works
- Office of State Revenue
- Policy, Ministerial and Executive Services.

Related Entities

The following related entities within the Finance and Services cluster agency exist outside the administrative body of the principal department, and are established pursuant to legislation:

- Board of Surveying and Spatial Information (Finance and Services portfolio)
- Building Insurers' Guarantee Corporation (Fair Trading portfolio)
- Consumer Trader and Tenancy Tribunal (Fair Trading portfolio)
- Fair Trading Administration Corporation (Fair Trading portfolio)
- Geographical Names Board (Finance and Services portfolio)

- Long Service Corporation (Finance and Services portfolio)
- Motor Vehicle Repair Industry Authority (Fair Trading portfolio)
- NSW Architects Registration Board (Finance and Services portfolio)
- NSW Government Telecommunications Authority, including the Australian Centre for Advanced Computing and Telecommunications (Finance and Services portfolio)
- Rental Bond Board (Fair Trading portfolio)
- State Contracts Control Board (Finance and Services portfolio)
- State Property Authority (Finance and Services portfolio)
- State Records Authority (Finance and Services portfolio)
- Teacher Housing Authority (Finance and Services portfolio)
- Waste Assets Management Corporation (Treasury portfolio).

Annual reporting 2010/11

This report covers the principal department of the Finance and Services cluster agency as at 30 June 2011, comprising ten administrative divisions and two additional business units transferred on 4 April 2011 from Housing NSW.

Annual reporting on the following related entities and statutory positions are also included in this report in the section titled Department of Finance and Services related entities reports and other reporting requirements:

- State Contracts Control Board
- NSW Government Telecommunications Authority (Telco)
- Australian Centre for Advanced Computing and Telecommunications Pty Ltd (ac3)
- Report of the Valuer General
- Report of the Surveyor General
- Report of the Registrar General
- Geographical Names Board
- Waste Assets Management Corporation.

The annual reports of other Department of Finance and Services related entities that are required to report separately can be accessed from the Department of Finance and Services website at www.services.nsw.gov.au.

Additional annual reporting for business units transferred to the Department

Additional annual reporting information, for the period 1 July 2010 to 1 April 2011, for business units transferred to the Department of Finance and Service in April 2011 can be found in the annual reports of their previous Departments:

- Corporate and Shared Services Reform (financial details) – Department of Premier and Cabinet website www.premiers.nsw.gov.au
- Nation Building Economic Stimulus Plan projects and Strategic Projects (financial and performance details) - Department of Families and Communities website www.facs.nsw.gov.au
- Office of State Revenue (financial details) – The Treasury website www.treasury.nsw.gov.au.

All annual reporting requirements for business units transferred to the Department of Finance and Services from Departments that were abolished by the *Public Sector Employment Management (Departments and Ministers) Order 2011* are included in this report (Land and Property Information division and Metropolitan Water Directorate).

What we do

Government Services provides essential shared transactional and corporate services to NSW Government agencies in the areas of procurement, fleet, information technology, human resources, finance and business services. This division plays a pivotal role in supporting agencies in efficient and effective service delivery through aggregated solutions, information technology service delivery and corporate and shared services reform.

Land and Property Information division is responsible for the administration of a range of legislation that provides the framework for land titling and conveyancing, surveying, valuation and related matters. By supporting the statutory functions of the Registrar General, Surveyor General and the Valuer General, the division protects land titles in NSW, maintains and promotes standards that ensure secure, consistent and quality spatial and valuation information is provided to the community.

NSW Fair Trading (Operations) safeguards consumer rights and advises traders on fair, ethical practice. Fair Trading informs the community of rights and obligations, mediates consumer complaints and enforces compliance through licensing, inspections, investigation, prosecution, civil proceedings and other disciplinary action.

NSW Fair Trading (National Reform Agenda) division coordinates the implementation of Council of Australian Governments (COAG) National Reform projects that impact on NSW Fair Trading. This includes monitoring and reporting on progress in achieving the milestones in the National Partnership to Deliver a Seamless National Economy.

NSW Industrial Relations works with employers and employees to achieve fair, equitable and productive workplaces. In partnership with the Commonwealth Government, NSW Industrial Relations is completing the transition to the national industrial relations system as well as administering NSW laws regulating shop trading hours, public holidays and long service leave.

NSW Public Works provides expert advice to government and professional services to government agency clients to enable them to deliver their services to the community. Its expertise and experience in planning, design, delivery and maintenance of building and engineering projects enables clients to maximise value, minimise costs and manage risks in their infrastructure programs and in the management of their assets.

The Office of State Revenue administers State taxation and revenue programs for and on behalf of the people of NSW. The Office collects revenue and outstanding fines, also administering grants and subsidies to provide valuable assistance to families and enterprises across NSW.

The Policy, Ministerial and Executive Services division provides support to the Minister for Finance and Services and Minister for Fair Trading, the Director-General, the State Contracts Control Board and the Department's Executive. The division provides expert economic analysis on a wide range of projects, and manages policy matters in the areas of consumer affairs, metropolitan water and information and communications technology (ICT).

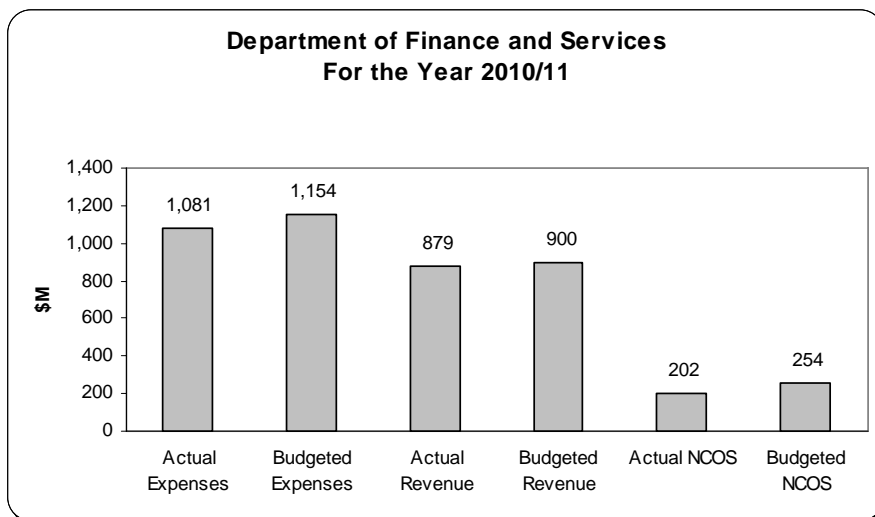
Strategic Projects, Housing and the National Economic Stimulus Plan projects administer and deliver public and social housing projects for NSW through public-private partnerships and projects funded by the Commonwealth Government.

The divisions of Corporate Services and Legal and Governance provide services to support the principal department.

Financial highlights 2010/11

Net cost of services

The Department of Finance and Services' Net Cost of Services for 2010/11 was \$202 million compared to a budget of \$254 million, an improvement of \$52 million (20%). The improvement in Net Cost of Services compared to the budget is largely attributed to lower than budgeted expenses (\$73 million) partly offset by lower than budgeted revenue (\$21 million).



Significant savings in expenditure were achieved in the following areas, with:

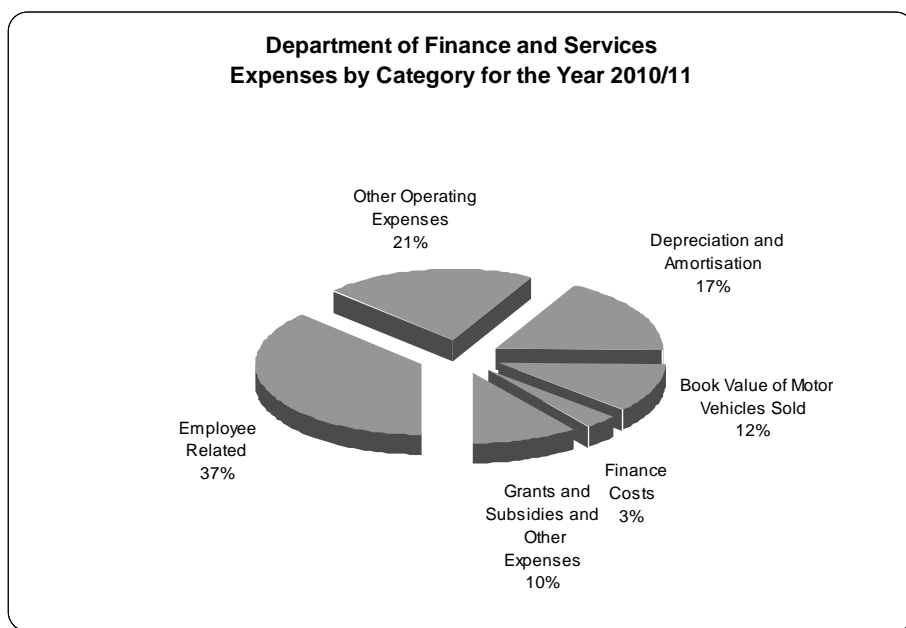
- lower than budgeted employee expenses due to unfilled vacancies largely in Land and Property Information, NSW Fair Trading, NSW Public Works, NSW Procurement and the Office of State Revenue
- other operating expenses were lower than budget mainly due to tax equivalent payments for Land and Property Information being offset against consolidated fund revenue and other operating expense savings across a number of items.

Reduction in revenue was largely due to:

- lower than budgeted sale of goods and services revenue mainly within Land and Property Information due to the Ad Valorem Levy income being less than forecast and now reported as administered revenue
- the reduction in above revenue was partially offset by increases in NSW Public Works income, higher proceeds from sale of motor vehicles due to a favourable used car market and an increase in statutory interest income.

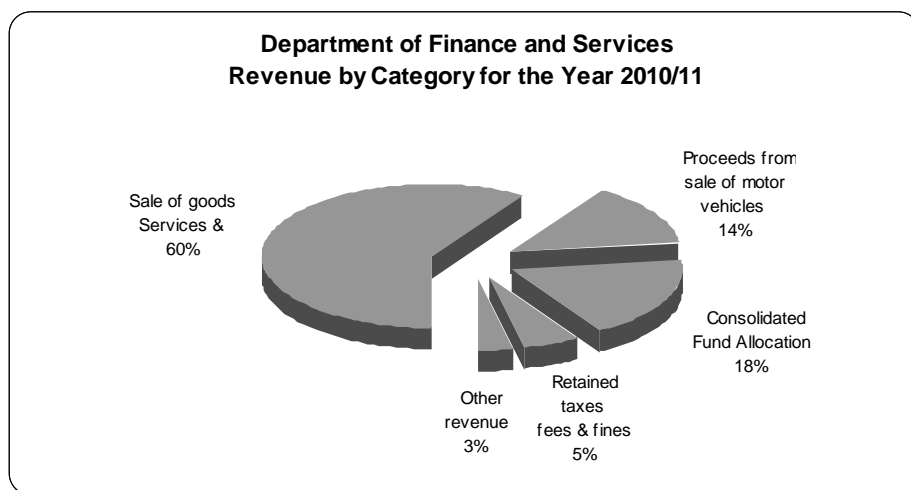
Expenses

The following chart provides a breakdown of the Department's expenses by major categories.



Revenue

In addition to \$879 million total revenue generated by the Department, \$199 million was received as consolidated fund allocation. The chart below provides a breakdown of the Department's revenue by major categories.



Net assets

The net assets of the Department as at 30 June 2011 are \$394 million. This is made up of total assets of \$1,715 million partly offset by total liabilities of \$1,321 million. The net assets are represented by accumulated funds (\$391 million) and an asset reserve revaluation (\$3 million).

The financial statements for the Department of Finance and Services are provided in this report. Separate financial statements are prepared for the NSW Government Telecommunications Authority, the Australian Centre for Advanced Computing and Telecommunications Pty Ltd (ac3) and the Waste Assets Management Corporation. These are also included in the financial statements section of the annual report.

Our performance

A new corporate plan for the principal department is due for release in 2012. Since the formation of the Department of Finance and Services on 4 April 2011, the former administrative divisions of the Department of Services, Technology and Administration have continued reporting under the *Department of Services, Technology and Administration Corporate Plan 2011-2014*. This Corporate Plan outlines the Department's commitment to deliver services to the community and government clients:

Goal 1 Achieve successful outcomes

- Deliver expertise and value for money
- Earn the confidence and trust of government, the marketplace and the community
- Meet or exceed recognised benchmarks

Goal 2 Perform a valued role

- Provide innovative services, solutions and projects
- An ethical fair marketplace
- A cohesive service offering throughout the policy cycle

In 2010/11, the Office of State Revenue reported against qualitative and quantitative performance measures from the Office of State Revenue *Corporate Plan for 2010/11*. The Land and Property Information division continued reporting under their *2010/11 Business Plan*.

All divisions of the Department of Finance and Services also have goals and objectives for reporting against their respective Results and Services Plans. These are the service delivery and funding plans that identifies what the divisions of the Department seek to achieve with current resources, as agreed with NSW Treasury.

This annual report highlights some of the Department's achievements for 2010/11, along with key performance indicators and service measures from the Results and Services Plans. The key performance indicators monitor the effectiveness and efficiency of service implementation and the quality, access, timeliness and cost of service delivery. Additional information on the Department's role and services is available on the Department of Finance and Services website (www.services.nsw.gov.au).

Targets for 2011/12 are provided for the key performance indicators in this report. It is acknowledged that some key performance indicators may change through the development of Department of Finance and Services corporate planning and these will be updated in the first report under a new corporate plan.

2010/11 Highlights

Government Services

Government Services division comprises NSW Procurement, Corporate and Shared Services Reform Program, ServiceFirst, StateFleet and ICT Strategic Delivery. The division provides essential shared transactional and corporate services to NSW Government agencies in the areas of procurement, fleet, information technology, human resources, finance and business services. This division plays a pivotal role in supporting agencies in efficient and effective service delivery through aggregated solutions, information technology service delivery and corporate and shared services reform.

Government procurement

In 2010/11, NSW Procurement continued to develop and administer goods and services contracts, with 60 State Contracts and 125 client specific contracts created on behalf of the State Contracts Control Board. The total expenditure through State Contracts Control Board contracts in 2010/11 was \$3.72 billion. This represents a 1.4% increase in the reported expenditure compared to 2009/10 with \$3.67 billion spent through the Board. By using State contracts, cost savings for Government are achieved by aggregating the purchasing power of Government across all agencies and by reducing duplicated effort in tender processes and contract administration. NSW Procurement is taking a leading role in supporting the Government's commitment to save \$1 billion in goods and services expenditure over four years and has commenced a coordinated program to assist agencies in the achievement of the savings target.

NSW Procurement also manages the Procurement System for Construction which in 2010/11 enabled more than 50 NSW government agencies to procure \$867 million in construction projects with \$90 million in savings for the Government. Contractor performance through the system remains high with average scores for contractors reported by agencies exceeding 70 against a benchmark of sixty five. An independent review of the system indicated strong industry and agency support for the scheme and has provided recommendations for systems improvement which are supported by industry.

Working with the other states and territories through the Australasian Procurement and Construction Council, NSW Procurement has been implementing the National Contractor Prequalification System under an initiative of the Council of Australian Governments Infrastructure Working Group. To date 14 major contractors have been prequalified under the System and a further four based in other states to work in NSW.

Corporate and shared services

In July 2010, the NSW Government released the *Blueprint for Corporate and Shared Services in the NSW Government*. Its objective is to guide sector-wide consistency and standardisation of corporate services, whilst acknowledging the uniqueness and complexity of individual departments and their services.

The standardisation, integration, and automation of business processes and technologies under the Reform Program across corporate and shared services are critical elements of the Blueprint. Version 1 Standards, based on proven industry standards and leading practices, were approved in May 2011. These standards will now be piloted by the Department of Family and Community Services.

ServiceFirst delivered shared services for human resources, finance, office and information technology services to approximately 8,500 employees in over 40 customer agencies across the NSW Government. In line with recommendations from the *Blueprint for Corporate and Shared Services in the NSW Government* ServiceFirst is transforming its operations to deliver a more streamlined and standardised corporate and shared services framework and more efficient services at a lower cost.

To meet the demands of mobile workers and reduce dependence on print media, ServiceFirst initiated a pilot project in late 2010 of a range of mobile devices. It is expected that this service will become a

standard service on offer to all clients in 2011/12, and further work will undertaken to examine the use of mobile devices for improving front-line services. ServiceFirst continued its focus on sustainability measures by expanding the video-conferencing network which supports customers in reducing travel costs and increasing productivity. ServiceFirst also continued its ICT Infrastructure Consolidation Strategy through further migration of physical servers to virtual infrastructure.

Fleet management

StateFleet provides fleet acquisition, management and disposal services on a commercial fee-for-service basis, primarily to government agencies. The NSW Government fleet has approximately 25,000 vehicles leased to agencies. In September 2010, StateFleet launched its new website which features updated security and increased functionality, providing a single gateway to a number of systems and portals that clients access daily. The site now also provides access to real time fleet information, with client feedback being very positive. In 2010/11, the NSW Government trialled the Mitsubishi i-MiEV, the first mass produced all-electric vehicle to be launched in Australia. After the successful trial, five electric vehicles were incorporated into the fleet. It is intended to increase the number of electric vehicles in the Government fleet subject to availability of vehicles and charging infrastructure.

Government licences

The Government Licensing Service cuts red tape and improves services for businesses and the general public. It is replacing aging legacy systems for business, vocational, recreational and community licences enabling transactions to be completed online 24 hours a day, 7 days a week. Over 100,000 internet customers provided feedback with 97 per cent satisfied with services. In 2010/11, the Government Licensing Service developed new services for the boating community, construction workers, registered training providers, disabled people, young people being enrolled to vote, animal keepers, wildlife importers and exporters and people holding special events. A trial of online development applications for housing projects also commenced.

KEY PERFORMANCE INDICATORS	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	Comment	2011/12 Target
Cost savings for government agencies using NSW Procurement Services	\$330M	\$360M	\$323M	\$335M	-	Note 1	-
Client satisfaction with Shared Corporate Services (IT only)	86%	90%	90%	80%	88%	Achieved	80
Transactions through State Contracts Control Board goods and service contracts	\$3.64B	\$3.58B	\$3.67B	\$3.90B	\$3.72B	Note 2	\$3.90B
Average performance score of "Best Practice" accredited contractors for capital works	74%	76%	76%	70%	71%	Achieved	70%
Manage motor vehicle clearance rates at initial auction between 70% to 80%	85%	87%	83%	80%	83%	Achieved	80%
Government licences administered through Government Licensing Service	1.16M	1.7M	2.1M	3.2M	4.7M	Achieved	5.1M

Note 1: With the change in Government, cost savings will form part of the Government's commitment to save \$1 billion in goods and services expenditure over four years.

Note 2: The minor reduction is due to a lower expenditure by NSW Government agencies through State Contracts. In the next financial year NSW Procurement will roll out a new Agency Accreditation Scheme that is expected to increase the use of State Contracts.

Land and Property Information

The Land and Property Information division is the key provider of land information services in NSW. Authoritative land information is a vital tool that enables the community, business and government to derive maximum benefit from land and property to generate economic growth and prosperity. The division's integrated framework connects the people of NSW to a comprehensive package of land and property services including land title registration, property information, valuation, surveying and mapping. Land and Property Information provides land information services to individuals, businesses, government agencies and non-profit organisations throughout NSW, Australia and internationally.

Information services

In 2010/11, Land and Property Information continued to maximise the efficiency of and access to property information through electronic service delivery. This work focuses on automating manual processes, converting hard copy records to electronic formats and implementing electronic products and services. Central to this work is development of systems and processes to source information once and use it many times through integrated data, systems and processes. Key performance highlights for 2010/11 in these areas include:

- continued support for the development of National E-Conveyancing through specifying business practice changes and systems required, and conducting a program of industry consultation
- established the Digital Plan Processing System program to streamline the use of plan and survey information across a number of key systems, increasing efficiencies in plan examination, improving the accuracy and currency of cadastral data and reducing the data capture effort
- the conversion of over 8,000 Old System, Crown or Manual Torrens titles to electronic Torrens title, thus increasing the number of land parcels in the one integrated titling system and available for electronic conveyancing
- the Bridge Street Plan Room Project was completed allowing for the preservation and electronic delivery of 452,000 crown plans. Title conversion of Crown Lands in Reserves (Eastern and Central Divisions) in collaboration with Crown Land has also been substantially completed helping to improve the accuracy of the Digital Cadastre Database
- near completion of stage 1 of the Electronic Product Information Catalogue (EPIC) which will facilitate 24/7 access for all products and services
- development of the online Atlas of NSW that provides state environmental and political knowledge, and information for educational and electoral boundaries use
- enhancing the Government Property Register to include asset information from all NSW state-owned corporations in order to make it more comprehensive.

Spatial data

One of the division's major roles is to develop, maintain and enhance spatial infrastructure to support other government agencies, emergency service organisations, industry and the community. In 2010/11, the division continued to support the spatial mapping requirements of government and the community used for navigation, emergency services and counter-terrorism activities. It also provided an accurate positioning infrastructure network that supports the surveying, transport, mining, construction and precision agriculture industries. During 2010/11 the division:

- supported the imagery requirements of the State Emergency Service in flood monitoring, risk management and recovery operations during the NSW floods by capturing and distributing timely images of flood waters
- expanded its network of continuously operating reference stations (CORsnetNSW) to provide real time access to centimetre accurate positioning data to support the surveying, mining, construction and precision agriculture industries across major population and primary industry areas
- improved positional accuracy of roads data in the far west of the state to accord with GPS navigation and positioning services and to aid emergency service activities.

Valuation services

Land and Property Information works to ensure the division continues to meet service level requirements for the statutory offices of the Valuer General, Registrar General and Surveyor General. In 2010/11, Valuation Services continued to improve the quality of land values determined in NSW. A systematic audit and quality control program based on risk analysis has delivered ongoing quality improvements and increased compliance with quality control measures such as statistical parameters. Reductions in the numbers of complaints measured through the call centre, objections and appeals indicate growing public confidence in the valuation system.

KEY PERFORMANCE INDICATORS	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	Comment	2011/12 Target
Total Valuations Completed	2.410M	2.417M	2.429M	2.500M	2.442M	Note 1	2.472M
Documents registered	799,000	730,000	781,000	710,000	719,000	Note 2	775,000
Plans registered	10,782	10,192	9,776	10,000	9,948	Note 3	10,500
Property information copies produced	4.495M	4.064M	4.169M	4.00M	4.109M	Note 4	4.450M

Note 1: Slight growth in rateable properties in line with projections; Note 2: This is the lowest level since 1995/96; Note 3: Slight growth in lodgement of deposited plans offset by slight decrease in strata plans; Note 4: Volumes close to forecast.

NSW Fair Trading

NSW Fair Trading works to promote a fair marketplace for consumers and traders. The Department of Finance and Services divisions of NSW Fair Trading (Operations), NSW Fair Trading (National Reform Agenda) and Policy, Ministerial and Executive Services contribute to meeting this goal. This is done through safeguarding consumer rights and ensuring that legislation and regulatory frameworks meet the requirements of today's commercial environment. Information and services for consumers and traders allows individuals and businesses to understand their rights and obligations and to function effectively in the marketplace.

Community access to information and services

Through a network of 24 Fair Trading Centres and the Fair Trading Information Call Centre, information is provided to consumers and traders on their rights and responsibilities under fair trading legislation. In 2010/11, NSW Fair Trading answered 1,132,810 telephone enquiries, 90 per cent of which were answered within Fair Trading's Guarantee of Service standard. The Fair Trading website is a comprehensive source of information for consumers and traders and use of it continued to grow with 4,507,231 visits in 2010/11.

During 2010/11, a total of 39,595 consumer complaints were received, of which 30,223 related to general fair trading issues, 7,014 home building issues and 2,358 real estate issues. Of these, 89% were successfully resolved.

During 2010/11, Fair Trading delivered 825 information sessions, talks and seminars attended by 38,699 people throughout the State. In February 2011, a 10-part video series titled Know Your Rights was produced providing information on topical issues facing consumers and traders such as: compliance, dangerous toys, door-to-door sales scams, motor vehicle warranties, purchasing a home, refunds, starting an association, tenancy condition reports and using a builder or tradesperson.

Services

NSW Fair Trading sets a high standard of quality customer service, including a guarantee of service which promises that fully completed new licence applications will be processed within 30 days of receipt. This year the standard was met for 98 per cent of the 13,639 new licences issued and for 99 per cent of the 38,330 licence renewals.

In 2010/11, the Plumbing Inspection and Assurance Service was transferred from Sydney Water as part of state-wide plumbing reform. The Service inspects the work carried out by licensed plumbers and drainers in order to ensure that the work complies with relevant codes and standards. In 2010/11, 21,636 inspection audits were conducted. Following amendments to the *Gas Supply Act 1996* Fair Trading is now also the regulator overseeing all natural gas installations, LPG installations, auto gas installations and the safety of most domestic and commercial gas installations and appliances.

New consumer alliance

NSW Fair Trading has entered an 18-month trial agreement with consumer group CHOICE to accept super-complaints. Where CHOICE identifies systemic failures in any particular sector, it will have the authority to formally refer these sectors to Fair Trading for scrutiny. Fair Trading will assess the issues raised and report publicly on any action taken. New South Wales is only the second place in the world to introduce such powers and the first to do so in Australia.

Compliance with fair trading laws

NSW Fair Trading promotes a fair marketplace by maximising traders' compliance with regulatory requirements. In doing so, Fair Trading also seeks to educate and engage with both consumers and traders on issues that affect their rights and obligations. In 2010/11, Fair Trading carried out a total of 8,657 inspections across NSW.

Through 31 targeted compliance programs, Fair Trading visited 1,992 businesses across NSW. For example, a targeted compliance operation in July 2010 focussed on the timely lodgement, receipting and reporting of rental bonds by licensed real estate agents.

NSW Fair Trading investigators inspected 67 real estate agencies in Sydney's southern suburbs. The areas identified had a high rental population, are close to large educational facilities and therefore much sought after by tertiary students. The operation identified 95 breaches by 48 real estate agents, resulting in the issuing of fines for the more serious breaches. Arising from this operation, Fair Trading also undertook more detailed investigations of six agents for more significant breaches concerning licensing and bond issues.

A pre-Christmas toy blitz was conducted as part of Fair Trading's ongoing annual product safety program targeting retailers and markets. NSW Fair Trading inspected more than half a million toys at 909 retailers in 227 towns and suburbs across the State. As a result of these inspections, investigators found 142 dangerous toys in shops and markets across NSW. At the completion of the blitz ten traders were prosecuted, 60 warnings were issued to traders and 30 retailers were fined.

Offences under the *Home Building Act 1989* and the *Electricity (Consumer Safety) Act 2004* were also targeted. Investigators visited 1,320 sites and issued 500 penalty notices for various offences.

Enforcement action

Offences against fair trading legislation are detected through inspections, intelligence gathering and as a consequence of formal investigations of complaints. During the year, 568 traders were issued with penalty notices in relation to 911 offences, resulting in financial penalties of \$726,900. Formal prosecutions, where 86% of cases were successful, resulted in \$626,337 in fines and penalties involving 72 defendants.

NSW participation in national reform

The Council of Australian Governments is implementing 27 national reform projects to deliver a seamless national economy. Seven of these projects have direct impacts on the operations of NSW Fair Trading's activities. NSW Fair Trading has finalised its involvement in four of these initiatives. The Australian Consumer Law commenced on 1 January 2011 and included the National Product Safety System. NSW took a key role in the implementation of the Australian Consumer Law by: leading development of a uniform compliance and enforcement guide; coordinating the development of training materials across all jurisdictions; leading national investigations where appropriate; and contributing to the first implementation report. The introduction of a national trade measurement system by the Commonwealth from 1 July 2010 means Fair Trading has no further role in the regulation of trade measurement. From 1 July 2010, Fair Trading has no ongoing role in the regulation of consumer credit which is now a Commonwealth responsibility.

Work on the three remaining initiatives will continue in 2011/12, which includes national reforms for personal property securities system, a national business names register and a national occupational licensing system.

KEY PERFORMANCE INDICATORS	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	Comment	2011/12 Target
Public knows where to get Fair Trading help	63%	62%	61%	65%	56%	Note 1	65%
Consumers confident in fair operation of marketplace	79%	74%	75%	74%	72%	Note 2	74%
Complaints finalised within 30 days	96%	93%	92%	85%	90%	Target achieved	85%
Telephone enquires answered within the guarantee of service	90%	99%	98%	90%	90%	Note 3	90%
Proportion of prosecutions successful	92%	96%	90%	90%	86%	Note 4	≥90%

Note 1: With the media attention on the introduction of the Australian Consumer Law earlier in the year the meaning of the survey question could have been misconstrued by participants.

Note 2: The survey results show consumer confidence levels vary but mostly fall within the target range.

Note 3: While the Guarantee of service was achieved, service was impacted as a result of peak demand during implementation of major legislative reforms and extensive business improvement strategies.

Note 4: Legal Services has recently taken on increasingly complex prosecutions, including substantial fraud matters under the recently amended fraud provisions of the Crimes Act 1900. Results have been impacted to a limited extent in part due to working with new provisions and the uncertainties that are always present in criminal prosecutions, including evidentiary issues and the high burden of proof beyond a reasonable doubt.

NSW Industrial Relations

The NSW Industrial Relations division works with employers and employees to achieve fair, equitable and productive workplaces. In partnership with the Commonwealth Government, NSW Industrial Relations is completing the transition to the national industrial relations system. NSW Industrial Relations' activities are designed to provide accessible information, help for employers and employees, and promote compliance with industrial relations legislation.

Contract Cleaning Industry Portable Long Service Leave Scheme

After an extensive period of consultation undertaken by NSW Industrial Relations with peak industry stakeholders, a new portable long service leave scheme for the NSW contract cleaning industry was established by the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010*. The Act commenced on 1 July 2011 and for the first time contract cleaners will be able to access paid long

service leave based on industry service instead of service with a single employer. The Scheme will be funded by a levy on industry employers based on 1.7 per cent of each employee's remuneration.

Retail trading amendments

The *Shop Trading Amendment Act 2010* established a Sydney Trading Precinct to allow all shops within that area to trade on Boxing Day. The Precinct covers an area from Glebe in the west, the Moore Park shopping centre to the south and Bondi Junction to the east. These arrangements provide certainty for retailers in this area, encourages consumers to explore what the Sydney CBD has on offer and in turn helps to boost productivity in the retail sector.

Public Holidays Act 2010

Following a comprehensive review of the existing law for the establishment of public holidays, the *Public Holidays Act 2010* was passed by Parliament on 24 November 2010. The key reform was the specification of eleven named occasions for a public holiday including clear and predictable arrangements surrounding the weekend occurrence of some of those occasions. The Act commenced on 31 December 2010 maintaining the existing practice for the 2011 calendar year, except for naming for the first time Easter Sunday as a standard public holiday. A scheduled amendment to implement the final scheme arrangements commences on 31 December 2011.

Public sector wages policy

The passage of the *Industrial Relations Amendment (Public Sector Conditions of Employment) Act 2011* puts in place a new legislative regime aimed at ensuring that all relevant decisions of the NSW Industrial Relations Commission reflect NSW Government wages policy. As well as providing advice in regard to the many complex issues engendered by the legislation, NSW Industrial Relations worked closely with other NSW Government agencies such as the Department of Premier and Cabinet and NSW Treasury.

Inspecting NSW workplaces

NSW participates in the national industrial relations, and works in partnership with the Fair Work Ombudsman to assist in delivering a compliance program to workplaces in NSW. During 2010/11, NSW Industrial Relations delivered over 7,300 transitional education visits to employers in NSW to explain the national industrial relations system and highlight key changes impacting employers and employees in NSW.

NSW Industrial Relations also delivered, on behalf of the Fair Work Ombudsman, 500 workplace audits, ensuring compliance with national industrial relations laws. As a result of the audit program, NSW Industrial Relations assisted in recovering over \$48,000 in back pay to employees.

Over 1,800 industrial complaints were received and handled on behalf of the Fair Work Ombudsman. As a result of the investigations carried out, over \$2 million has been recovered in back pay to employees in NSW. NSW Industrial Relations also investigated over 300 industrial complaints involving alleged breaches of NSW industrial relations laws. Outcomes of these 300 investigations have resulted in over \$1.5 million in back pay to NSW employees.

Assisting small businesses and regional employers

NSW Industrial Relations developed and delivered a comprehensive education program to assist NSW private sector businesses who were transitioning from the state award system to the national workplace relations system. As part of its response to support business owners and managers, workshops were held covering specific awards, as well as two generic national system workshops: Fair Work in NSW and Modern Awards and Agreements. There were 122 workshops conducted in the Sydney metropolitan area with around 950 participants, and 67 in regional NSW with over 800 participants. As a specific initiative tailored to small business owners, the program also delivered 34 Fair Work for Small Business seminars to over 320 participants.

Educating and supporting vulnerable workers

In 2010/11, NSW Industrial Relations continued to assist vulnerable workers, including young workers and culturally and linguistically diverse communities to better understand their rights under the national system through improved access to the agency's resources and services. In total, 286 presentations were delivered to over 6,000 attendees providing face to face information on workplace rights and responsibilities under the national industrial relations system.

Supporting Indigenous employers and workers

NSW Industrial Relations' Aboriginal and Torres Strait Islander support team has successfully delivered employer information and assistance to Indigenous communities for over eleven years. It was identified that a lack of culturally appropriate help and support options in relation to the move to a national workplace relations system would leave already vulnerable employees further disadvantaged. With the support of the Fair Work Ombudsman, the division developed and delivered an Aboriginal and Torres Strait Islander assistance program. The initiative provides telephone support on employment issues, workshops and presentations and a range of culturally appropriate publications to provide information to assist Indigenous employers and their employees.

KEY PERFORMANCE INDICATORS	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	Comment	2011/12 Target
Accuracy of industrial relations information provided	88%	88%	88%	95%	90%	Note 1	95%
Employees satisfied with NSW Industrial Relations advisory services	97%	88%	90%	95%	90%	Note 1	95%
Industrial relations enquires and complaints satisfactorily resolved within target timeframes	89%	87%	89%	85%	85%	Note 1	95%

Note 1: Key performance indicators are under review following the move to the national industrial relations system, Fair Work Australia. Advisory services at NSW Industrial Relations have been scaled back.

NSW Public Works

NSW Public Works provides expert advice to government and professional services to government agency clients to enable them to deliver their services to the community. Its expertise and experience in planning, design, delivery and maintenance of building and engineering projects enables clients to maximise value, minimise costs and manage risks in their infrastructure programs and in the management of their assets. The division comprises the Project Management Group, NSW Water Solutions, Government Architect's Office and Facilities Management.

NSW Public Works helped State and Local Government agencies achieve their objectives through assisting in the development and maintenance, of public built assets by managing risks associated with the planning, procurement, design and construction of building and engineering projects. In 2010/11, the division managed more than \$1 billion worth of projects, achieving a very high client satisfaction rating of 83.1%, against an industry standard of 75%.

In 2010/11, major projects and achievements included:

- completion and hand over of 23 major capital works school projects to the Department of Education and Communities, providing new libraries, administration buildings, specialist high school classrooms, performance spaces and trade schools valued at \$84 million
- seven TAFE major capital projects valued at \$35 million
- 62 Trade Training Centre Projects valued at \$76 million

- Principal Priority Building Program Roof and Toilets valued at \$27 million
- 57 Strategic Projects providing science facility upgrades, flued gas heater upgrades, fencing program, halls and gyms, water saving devices and demountable replacement projects valued at \$119 million.

NSW Water Solutions serves the government in partnership with state agencies and local government to provide expert advice in relation to water infrastructure and conserving the state's limited water resources to assist in the protection and enhancement of our natural waterways and coastal zone. Experienced professional engineers, environmental scientists, surveyors and technicians ensure that advice and data is available to key agencies to ensure they have the information required to support critical services.

A number of important projects were progressed in 2010/11, including the development of a recycled water scheme for Ballina and Lennox Head with Ballina Shire Council. Key features of the Ballina-Lennox Head recycled water scheme include the provision of a membrane based bioreactor wastewater treatment plant at Ballina and a membrane based recycled water plant at Lennox Head wastewater treatment plant. This will supply high quality recycled water to new residential development areas for toilet flushing, outdoor uses and some irrigation at Ballina and Lennox Head. This is likely to result in a reduction in potable water usage of 30-40 per cent in these areas. In addition, releases from the new Ballina wastewater treatment plant into the Richmond River estuary will be of a higher quality than at present.

The Government Architect's Office takes a leadership role in the built environment through its advocacy and advisory role, its statutory positions on committees and boards such as the Heritage Council and NSW Architects' Registration Board and representation on design review panels. In 2010/11 the Office created the design and documentation of refurbishments of the Macquarie Street Wing of the State Library of NSW. The design responds to a new service delivery model for the Reference Library, increasing access to natural light and providing a contemporary identity for the key public spaces including the foyer and reading rooms.

The Government Architect's Office received National Trust Award in Category A - Conservation Built Heritage for projects over \$1 million Corporate/Government, for the Fort Denison Stonework Conservation project. It also received a Category B Award in Conservation Built Heritage, for projects under \$1 million Corporate/Government, for the Fort Phillip Precinct Conservation, a major archaeological dig which included landscape and building restoration works. A further Category B award for Conservation Built Heritage for projects under \$1 million Corporate/Government was awarded to the Statue of James Meehan project.

Emergency and disaster management

NSW Public Works has a broad range of engineering expertise which is mobilised to assist combat agencies to manage emergency situations. In 2010/11, the engineering emergency management team in NSW Public Works deployed expert personnel to provide engineering advice at five partially collapsed buildings and six fire affected buildings. Engineering assessments were carried out at ten levees and two dams in danger of collapsing during the summer floods in inland NSW and NSW Public Works personnel established three Recovery Centres for flood victims in Northern NSW. NSW Public Works provided the engineering personnel in the deployments of NSW Urban Search and Rescue Task Forces to the Queensland floods, Christchurch earthquake and Japan tsunami.

The Department also administered the Natural Disaster Relief and Recovery Arrangements for NSW Treasury, providing financial assistance to local councils whose assets had been damaged by declared natural disasters. Twenty seven grant offers to the value of \$13.6 million were recommended for approval in 2010/11, and 53 payments amounting to \$9.9 million were made under the program for disasters that occurred during the year or in previous years where works were still eligible for payments.

KEY PERFORMANCE INDICATORS	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	Comment	2011/12 Target
Projects managed on time	92%	93%	92%	85%	92%	Target exceeded	85
Projects managed on budget	90	87	92	85	95	Target exceeded	85
Lost time injury frequency ratio	1.9	3.4	2.4	5.0	2.9	Note 1	5.0

Note 1: Lost time injury frequency ratio of 2.9 (ie 2.9 injuries for each million hours worked) compared to construction industry annual average of 16 injuries for each million hours worked.

Office of State Revenue

The Office of State Revenue administers State taxation and revenue programs for and on behalf of the people of NSW. The Office collects revenue and outstanding fines, helps develop policy and implement legislation. The revenue collected is used to fund schools, hospitals and other public services for the people of NSW. The Office also administers grants and other benefits to provide valuable assistance to families and enterprises across NSW.

In 2010/11, the Office of State Revenue worked on the development of legislation to administer the new Payroll Tax Rebate Scheme (NSW Government Jobs Action Plan) and the Regional Relocation Grant which aims to support regional NSW. As part of the Jobs Action Plan, the new legislation will provide a payroll tax rebate of \$4,000 per full time employee for the first 100,000 new payroll tax paying jobs created in NSW from 1 July 2011.

The stamp duty concession for eligible seniors downsizing their residences has also been extended to include people over 55 years of age. The concession provides a full exemption from duty for people selling an existing property and buying a newly constructed home not exceeding \$600,000 before 30 June 2012. This concession was introduced to stimulate the construction of new homes in NSW.

Visitors to the Office of State Revenue and State Debt Recovery Office websites were invited to respond to an annual client satisfaction survey. Eighty-eight per cent of respondents were generally satisfied with the services the Offices' provide. Eighty-three per cent of respondents were positive about the ease of using the websites. When asked about the professionalism of staff, 96 per cent responded that the staff they have dealt with are courteous and professional.

Key Performance Indicators for revenue collection

In 2010/11, the Office collected over \$18.2 billion in revenue, including \$320 million in additional revenue identified through compliance activities. The Office of State Revenue compliance activities identified businesses with potential liabilities, those who might not have complied with their State revenue obligations and recipients of first home benefits who did not meet the eligibility requirements.

The Office of State Revenue's efficient and effective collection methods aim to keep the cost of collection of tax revenue under the Key Performance Indicator target of \$0.53 or less per \$100 of tax revenue collected. This target was exceeded in 2010/11, with the cost being kept to \$0.50 per \$100. This can also be attributed to actual revenue exceeding 2009/10 by almost \$1 billion. This surpassed a comparatively smaller increase in net cost of services. Factors behind the increase in actual revenue include an increase in revenue from stamp duties and payroll tax, aided by a healthier economy than that of 2009/10.

Enhanced systems

In 2010/11, the Office of State Revenue implemented two new core IT systems, a new Fines Enforcement System and the first module of a modernised tax collection system. The new Fines Enforcement System removes dependency on older software and provides the State Debt Recovery Office with systematic and targeted management of fines debt. The first module of the new modernised tax collection system brings improved stability and effectiveness and efficiency to the administration of land tax. Delivery of the next phase for payroll tax is expected in 2012.

Enhanced service delivery to clients through increased provision of online services aims to make it easier for clients to do business with the Office of State Revenue. Over 32 per cent of all land tax assessment variations are now received online and in 2010/11 over 11,350 land tax clients used the online services to update their details at a time that suits them.

An improvement to the internal knowledge management system for the State Debt Recovery Office helped call centre staff to drive a faster and more efficient service to clients. Call centre staff handled over one million fines related calls, and 86 per cent of incoming calls related to tax were answered within two minutes, exceeding the target of 80 per cent and demonstrating an ongoing commitment to high levels of customer service.

Improved capacity to reduce overdue debt

Work and Development Orders have been introduced to help people who have a mental illness, intellectual disability or cognitive impairment; are homeless or who are experiencing acute economic hardship. Following a successful two-year trial, this program was made permanent in June 2011. This will mean that vulnerable people in the community can satisfy their fines debt by non-monetary means through unpaid work with an approved organisation or by undertaking certain courses or treatment.

In 2011/12, the Office of State Revenue will be working on establishing a new debt structure. This will centralise debt management services to deliver synergies in tax and fines debt management and ensure single point accountability of debt management.

KEY PERFORMANCE INDICATORS	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	Comment	2011/12 Target
Total overdue debt as a percentage of tax revenue	0.97%	1.54%	1.4%	1.5%	1.54%	Note 1	1.50%
Revenue collected to original budget	107%	107%	106%	98%	100%	Note 2	98%
Revenue identified through compliance activities	\$286M	\$318M	\$317M	\$310M	\$328M	Note 3	\$300M
Closure rate of penalty notices	77%	74%	76%	75%	74%	Note 4	75%
Closure rate of enforcement orders	49%	52%	68%	55%	70%	Note 5	56%
Payments received electronically	66%	78%	88%	>77%	90%	Note 6	>90%
Cost to collect \$100 tax revenue	0.59	0.60	0.55	0.53	0.50	Note 7	0.53
Cost to collect \$100 fines revenue	\$10.80	\$11.02	\$11.70	≥\$12.81	\$12.74	Note 8	\$13.12
First home buyers payments issued <10 days from receipt of a completed claim	95%	96%	96%	>95%	95%	Note 9	80%
Unclaimed money payments issues <10 days from receipt of a completed claim	92%	91%	78%	>85%	85%	Note 10	85%

Note 1: The declining economic conditions and tighter financial market impacted on our client base during 2010/11 financial year, making debt collection difficult. The Office of State Revenue experienced an increase in the number of clients seeking long term payment arrangements to satisfy their debt. This trend is expected to continue in 2011/12.

Note 2: In 2010/11 revenue collected exceeded budget by \$67.6 million.

Note 3: The actual result for 2010/11 included a large duties transaction of \$19 million. The target of \$300 million for 2011/12 reflects the decreasing compliance results for Land Tax as data quality issues and backlogs from previous years have been addressed, resulting in fewer cases available for investigation.

Note 4: The penalty notice closure rate (prior to enforcement) is declining due to an increase in penalty notice amounts and the difficulty for clients to pay these fines. This trend is expected to continue in 2011/12.

Note 5: The closure rate of enforcement orders increased due to bulk write offs and withdrawals. In line with our new strategic direction and plan, this indicator along with other fines related indicators has been subjected to rigorous review, reflected in our 2011/12 Strategic KPI's.

Note 6: The Office have made a significant investment in moving clients to electronic channels, especially for Duties. In the next year credit card payments will be extended to revenue types other than land tax and the payment limit increased, hence the higher target.

Note 7: Improving payment channels and implementing initiatives such as landholder duty increased the revenue collected for 2010/11. This target was achieved by controlling costs.

Note 8: The Office did not collect the expected revenue due to a decrease in the number of penalties issued. However, this target was achieved by controlling costs. This indicator along with other fines related indicators has been subjected to rigorous review, and as reflected in the Office's 2011/12 Strategic KPI's this indicator has been superseded by 'Cost to administer \$100 fines revenue'.

Note 9: This indicator has been changed as a result of the implementation of the Document Verification Service for the First Home Owner Grant Scheme (FHOGS). In 2011/12 this indicator has been revised to 'Percentage of FHOGS payments issued ≤15 working days from receipt of a completed claim'.

Note 10: It is expected that there will be a similar performance in 2011/12 for this indicator.

Policy, Ministerial and Executive Services

The Policy, Ministerial and Executive Services division manages policy matters in the areas of consumer affairs, information and communications technology (ICT), metropolitan water, and provides expert economic analysis on a wide range of projects.

In October 2010, to support the wide span of the Department's policy responsibilities, the Policy, Ministerial and Executive Services division established an Economics Unit. The unit has played a significant role in the Better Services and Value Task Force Review and the Department's response to its recommendations, as well as providing economic input and advice on pricing and efficiency reviews being undertaken in NSW Procurement, StateFleet and the Government Radio Network.

Residential tenancy reforms

The *Residential Tenancies Act 2010* commenced on 31 January 2011 after an extensive review of the previous tenancy laws. The Act introduces over 100 reforms that aim to strike a fair balance between the rights and obligations of tenants and landlords. For example, tenants must now have at least one fee-free way to pay their rent, they are not required to pay more than two weeks rent in advance and can now make reasonable requests to make minor changes to premises or to sub-lease a spare room. Landlords will find it faster to evict a tenant who has stopped paying rent and an easier process to deal with goods left behind by a former tenant. The new Act aims to reduce the level of disputes by providing greater clarity and certainty for tenants, landlords and agents. Fair Trading implemented a multi-faceted communication campaign to raise awareness about the new laws and provide information about the changes.

Whole of government ICT strategy

Advances in ICT present enormous opportunities to improve the quality of government services, provide existing services more cost effectively, and develop more flexible and innovative service options. In June 2011, the NSW Government established new governance arrangements to drive the Government's ICT reform agenda through a new whole of government ICT strategy. An ICT Board has been established comprising Directors General of key departments, supported by an ICT Advisory Panel with industry members, and a Government ICT Leadership Group. These governance

arrangements will bring both private sector experience and government operational knowledge to the development and execution of a new ICT strategy.

Metropolitan water planning

In September 2010, the Metropolitan Water Directorate launched the 2010 Metropolitan Water Plan. This four-year plan was developed using an adaptive planning framework to set out how the NSW Government will secure greater Sydney's water supplies and help protect river health. The Metropolitan Water Directorate led the whole of government process to develop and deliver the 2010 Plan which continues to focus on four major areas: dams, recycling, desalination and water efficiency to secure supplies to 2025 and beyond.

To support the launch of the Metropolitan Water Plan a major social marketing campaign was undertaken, which also highlighted the community's ongoing role in securing water for greater Sydney. The Water for Life campaign is estimated to have reached more than two million people in its 70-day delivery, with an independent evaluation showing that 65% of survey participants recalled the campaign.

In August 2010, the directorate released a summary report on 'Climate change and its impacts on water supply and demand in Sydney'. The findings of this study provide information on how greater Sydney's water supply may be affected by climate change over time. Further to this study, the directorate has also partnered with the Office of Environment and Heritage and University of Newcastle to investigate extreme weather events and their impact on water security.

In 2010/11, the directorate awarded over \$2.5 million in grants to six councils and businesses in greater Sydney through the Water Recycling and Stormwater Harvesting Program. These grants supported the implementation of eight water recycling projects, which is estimated to save over 750 million litres of drinking water a year.

A key focus of the Metropolitan Water Plan was to establish a legislative framework to facilitate the entry of new water and wastewater service providers into the urban water market. The *Water Industry Competition Act 2006* creates an access regime and a licensing framework for private sector provision of water and wastewater services. In 2010/11, the directorate reviewed the exemption regime under the *Water Industry Competition Act 2006* and new exemptions were gazetted that clarify the types of water and wastewater services exempt from requiring a licence under this framework.

KEY PERFORMANCE INDICATORS	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	Comment	2011/12 Target
Total volume of water recycled in Sydney	26 GL	27 GL	33 GL	54 GL	58 GL	Note 1	53 GL
Amount of water saved through improved water efficiency in Sydney	64 GL	76 GL	104 GL	112 GL	121 GL	Note 1	125 GL

Note 1: On track to reach the 2015 targets.

Strategic Housing Projects and Nation Building Economic Stimulus Plan

Responsibility for Strategic Projects (public private partnerships and joint ventures) and the Nation Building Economic Stimulus Plan projects were transferred from Housing NSW to the Department of Finance and Services from 4 April 2011.

To create more mixed income communities and affordable housing, Strategic Projects is working with the private sector on urban renewal projects in Airds-Bradbury, Bonnyrigg and Minto. Through public private partnerships, new assets and associated services are being delivered, capturing the benefit of private sector finance to create communities with 70 per cent private and 30 per cent social housing.

The Airds-Bradbury public housing area comprises around 1,200 properties in Airds and 250 in Bradbury. Over the next 15 to 20 years, the Airds-Bradbury Renewal Project will revitalise the area and make it a great place to live by:

- improving homes and public spaces
- improving local services and opportunities for residents
- supporting the local community to build on its strengths, skills and overall capacity.

A Concept Plan for the Airds-Bradbury area has been completed. This project will see around 600 social housing dwellings set aside for social housing with around 1,400 properties for private ownership.

Additional annual reporting information for these business units can be found in the annual report of Department of Families and Communities, which can be accessed at www.facs.nsw.gov.au.

People and organisation

During 2010/11, the former administrative divisions of the Department of Services, Technology and Administration continued working under *the Department of Services, Technology and Administration Corporate Plan 2011-2014*. This Corporate Plan also outlines the Department's commitment to strengthening internal capabilities through the following goals:

Goal 3 Ensure a strong capability

- A professional, ethical, agile organisation
- Highly skilled, responsive and well-equipped people
- Effective technology and processes

Goal 4 Create a positive culture

- A client-focused whole of department approach
- Valued and respected people
- Transparency and accountability

2010/11 Highlights

Engaged and capable people

The *Department of Finance and Services People Plan 2011-2014* was developed in 2010/11 to outline the Department's approach to attract and retain an engaged and agile workforce. Implementation of the Plan over the next four years will be tailored to meet the particular requirements of each division. 'Creating a future proof workforce profile' is a strategy in the Corporate Plan and highlights the Department's commitment to develop the capacity and capabilities of staff in order to achieve the Department's strategic goals and to address key workforce challenges including:

- managing the impact of an ageing workforce, including succession planning and knowledge management
- building capacity to manage organisational change
- building public administration capability amongst new recruits
- developing capable leaders and managers
- improving the ability to attract and retain skilled employees.

The Office of State Revenue 2011 Workplace Climate Survey showed that staff were generally very positive about the division as a whole. A very high proportion of employees (91 per cent) responded they are proud to work for the Office and enjoy working there. This positive response was an increase of two per cent from the 2010 Staff Survey. Analysis of comments from the 2011 Staff Survey shows the most prominent factors in this positive result were good work conditions, a professional and collegial work environment, and interesting, challenging and varied work.

In 2010/11 the Land and Property Information division continued to mitigate the risks of an ageing workforce in maintaining service delivery to its customers. *Vision 2013*, the division's workforce development plan, was established six years ago due to changes to the internal and external operating environment, in particular: an ageing workforce; advances in technology and increased customer expectations in types of service delivery. Organisationally, *Vision 2013* has had a significant impact on the division. Since 2005, the recruitment of young people has shifted the age profile with over 15 per cent of staff aged less than 30 years compared to 5 per cent in 2005. Culturally it has made a positive contribution, reinvigorating the workplace as older staff share their knowledge with young colleagues, now confident that there will be skilled staff to continue to deliver high quality services when they retire.

Vision 2013 was recognised for excellence by winning the 2010 NSW Public Sector award in the Premier's Priority Category: Increasing Jobs for Young People.

Leadership development

The Leadership Development Program represents a significant investment by the Department in developing its people to undertake management and leadership roles. Since the Program commenced in 2008, 391 managers and leaders have participated in programs designed to build on their core skills in leadership and management capabilities. The Program consists of specific programs for new managers, business managers, senior managers and executives.

As part of the Department's Leadership Development Program, 16 senior executives participated in a mentoring program that pairs them with private industry leaders. This program contributes to succession planning whilst building the performance of senior leaders within the organisation.

During the year the Department continued to invest in the development of its people by offering skills development training courses in the following areas:

- business skills – 498 people attended 56 courses
- foundation courses – 1,115 people attended 85 courses
- Learning Bites – 203 people attended 13 seminars.

Since the inception of the JumpSTART NSW program in 2009, the Department has recruited 26 cadets including seven new cadets in 2010/11.

Performance Development Program

The Department of Finance and Services' Performance Development Program links the Department's strategic priorities to staff development by providing a direct link between how the staff member's individual work plans and professional development contribute to corporate and business objectives. By the end of the 2010/11 year, 86 per cent of staff had Individual Work Plans and Individual Development Plans in place, the two components of the Performance Development Program. From 2011/12 an annual program for preparing and reviewing staff Performance Development Programs will be undertaken and linked to the Department's corporate and business planning cycles.

Effective technology and systems

A Procure to Pay policy (P2P) and Optical Character Recognition solution for supplier invoices were introduced in 2010/11. Automating the process from procurement to payment ensures that suppliers are accurately paid in accordance with agreed payment terms and provides greater visibility of departmental liabilities and cash flow requirements. As at 30 June 2011 more than 20,000 invoices were scanned, processed and paid through these systems.

Organisational change

On 4 April 2011, the Department of Services, Technology and Administration was renamed the Department of Finance and Services. As part of the new departmental arrangements the following staff and functions were transferred to the Department of Finance and Services:

- the Office of State Revenue, from The Treasury
- Land and Property Information and certain other branches of the former Land and Property Management Authority
- public-private partnerships strategic projects unit at Housing NSW
- the Nation Building Economic Stimulus Plan funded projects at Housing NSW
- the Corporate and Shared Services Reform Program, from the Department of Premier and Cabinet

- Metropolitan Water Directorate, from the former Department of Environment, Climate Change and Water
- staff employed to enable the Long Service Corporation and State Property Authority to exercise their functions.

The staff employed to enable the Internal Audit Bureau to exercise its functions were removed from the Department, backdated to 1 July 2009. On 4 April 2011, the Strategic Communications and Government Advertising division of the Department of Services, Technology and Administration was transferred to the Department of Premier and Cabinet and the Retail Tenancy Unit was transferred to the Department of Trade and Investment, Regional Infrastructure and Services.

During 2010/11, the Department of Finance and Services was involved in a number of reform programs, both on a national and departmental level. The Department maintained strong stakeholder and staff engagement on these matters with affected management, staff and industrial organisations. As a result of national reforms:

- the Customer and Property Services Division of Fair Trading redesigned its inspectorial services following the transfer of NSW Fair Trading's Trade Measurement inspectorate to the Commonwealth's National Measurement Institute on 30 June 2010
- work continued on the planned transfer of the operations of the Registry of Encumbered Vehicles to the Commonwealth, due to be finalised on 31 October 2011.

Other parts of the organisation underwent organisational redesign and restructure during the year including:

- further realignment of NSW Procurement in the Government Services division
- the Government Chief Information Office was redesigned with staff and functions creating ICT Policy in Policy, Ministerial and Executive Service, and ICT Strategic Delivery in the Government Services division
- from 13 May 2011, the NSW Government Telecommunications Authority was established as a separate business unit within the Department of Finance and Services incorporating the former Government Radio group responsible for operations and maintenance of the shared Government Radio Network.

In addition, discussions with other agencies commenced regarding the future design of ServiceFirst, Government Services, consistent with the multi tenanted service provider model in the NSW Government's Corporate and Shared Services Reform Program.

The following business areas also underwent realignments:

- Corporate Services (People and Workplace – Organisational Development)
- Government Services (ServiceFirst – Management)
- NSW Fair Trading (Customer and Property Services – Motor Vehicle Services)
- NSW Fair Trading (Customer and Property Services – Queanbeyan)
- NSW Fair Trading (Consumer Trader and Tenancy Tribunal – Registry and Administration)
- NSW Fair Trading (Home Building Services – Insurance Services).

As part of state-wide plumbing reform, the Plumbing Inspection and Assurance Service was transferred from Sydney Water into NSW Fair Trading.

As a result of changed contractual arrangements, NSW Public Works closed its regional depot at Boolaroo, near Lake Macquarie.

Equity and diversity

The Department of Finance and Services acknowledges and embraces the diversity of its staff and the skills, knowledge and experience they contribute within the workplace and to the NSW community. In

2010/11, the Department continued its active contribution towards achieving access and equity for staff and the community it serves. This work aims to raise awareness of diversity and equity of staff with customer service responsibilities, providing information on policies and initiatives to staff in relation to equity issues and implementing a range of strategies to improve equity outcomes for staff. In 2010/11:

- the representation of women was 49 per cent, against the sector target of 50 per cent
- the representation of Aboriginal and Torres Strait Islander employees was two per cent of our workforce, against the sector target of 2.6 per cent
- the representation of people with a disability was seven per cent
- flexible work practices were in place to enable staff to balance life's priorities, and staff were also supported with work and personal life issues by Families at Work, a work/life consultancy that provides information on childcare, vacation care, dependent and elder care
- employees within diversity and equity groups were surveyed to determine their professional development needs
- 95 staff participated in the Community Language Allowance Scheme, providing translation and assistance to the community in 31 languages.

Women

The Department's *Women's Employment and Development Plan 2008-2012* focuses on strategies to attract, retain and provide development opportunities. The Plan is aligned with the NSW Government's *Making the Public Sector Work Better for Women 2008-2012*. During 2010/11, the following activities were undertaken under the Plan:

- renewed Breastfeeding Friendly Workplace accreditation by the Australian Breastfeeding Association
- conducted gender specific mentoring programs for women including a mentoring program for women located in regional areas using a range of technology
- delivered targeted professional development programs for women
- celebrated International Women's Day with events held throughout the Department
- provided access to the Managing Work-life Balance Childcare Kit
- encouraged women in non-traditional roles through participation in the Lucy Mentoring Program and the Department of Premier and Cabinet's 'Breaking through' promotional campaign.

Aboriginal Employment Strategy

The Department of Finance and Services *Aboriginal Employment Strategy 2010-2013* is focused on increasing the representation of Aboriginal people in the Department's workforce to 2.6 per cent. This strategy includes providing career development opportunities to Aboriginal staff, strengthening support mechanisms to assist in retaining staff and becoming an employer of choice for Aboriginal people.

The Department continued to support one indigenous cadet through their full-time study during 2010/11 and will be supporting two additional cadets in 2011/12. The Department has committed to recruiting seven Aboriginal trainees in 2011/12.

Aboriginal cultural education TAFE NSW accredited courses were offered to managers and supervisors of Aboriginal staff. These courses provided the participants knowledge and skills to enhance cultural inclusiveness in work practices and increase responsiveness to Aboriginal people, communities and issues.

The Department of Finance and Services Aboriginal Staff Network meets three times a year. These Network meetings provide an opportunity for Aboriginal employees across the state to come together for professional development, networking and to meet the Department's Executive and raise issues

directly with them. The Land and Property Information's Aboriginal Support Network met quarterly at various locations around NSW including Dubbo, Yamba, Wollongong and Morisset.

People with a disability

The Department of Finance and Services' *Disability Action Plan 2010 – 2012* outlines the Department's strong commitment to creating an inclusive working environment for people with a disability by improving their access to services and employment opportunities. In 2010/11, three per cent of the Department's workforce were people with a disability requiring work-related adjustment. This is higher than the NSW Government's 2011 target of 1.1 per cent. In 2010/11 the Department employed an additional five people with a disability and five more will be recruited in 2011/12 in permanent full-time positions. Other activities in 2010/11 included:

- participating in the NSW Government's 'Ready, Willing and Able' program providing targeted job opportunities for people with disability and supporting businesses employing people with disability
- established a central source of funding to provide reasonable adjustments to employees with a disability through work and job redesign, provision of equipment and job support
- contributing to a supportive work environment for people with a disability by providing education and awareness training from staff and managers including managing staff with psychiatric disabilities, communicating with the hearing impaired and discrimination case law
- supporting people with a disability by providing development opportunities through workshops tailored to their development needs
- providing Auslan (Australian sign language) interpreters at meetings and training activities for staff with a hearing impairment
- facilitating Disability Network meetings for staff with a disability, and an online network for staff with a disability facilitating communication and support between staff in diverse geographic locations.

Multicultural Policies and Services Program Plan

In 2010/11, the Department submitted its *Multicultural Policies and Services Program Plan 2010-2014* to the Community Relations Commission and was assessed as a Range 2 agency. Strategies implemented under the Plan include:

- continuing implementation of appropriate education, community awareness, consultation, liaison and communication strategies
- establishing a departmental Multicultural Policies and Services Program Plan Coordinating Committee
- the Department's *Multicultural People, Employment and Development Strategy 2010-2014*.

Divisions within the Department also worked directly with the community to improve service and access for people from culturally and linguistically diverse backgrounds, notable achievements in 2010/11 include:

- National Workplace Relations System videos developed by NSW Industrial Relations provide practical information on the national workplace relations system to assist both employers and workers. Both of these videos are subtitled in Arabic, Chinese and Vietnamese
- *Working in NSW* fact sheet providing up-to-date information about the national system and basic working rights and entitlements. This popular resource developed by NSW Industrial Relations has been translated into 28 languages
- a consumer guide for international students, a passport size booklet, developed to provide essential consumer information and advice on accessing the services of NSW Fair Trading while studying and living in NSW. Over 55,000 copies of this guide have been distributed to more than 360 NSW education providers

- Small Business Seminars for migrant traders conducted by NSW Fair Trading provide small business owners from culturally and linguistically diverse backgrounds with information about employment procedures, their rights and responsibilities
- Land and Property Information customer service training delivered for managers and frontline staff incorporating strategies for communications with community members from diverse language and cultural backgrounds, including use of translator services. A list of the division's employees with language skills is available to assist in communication with clients and stakeholders
- an Office of State Revenue staff member was reappointed onto the Australian Multicultural Advisory Council (second term). The division also reviewed all client communications during 2010/11 and identified improvements for clients from a non-English speaking background
- NSW Fair Trading ran the Think Smart education program for culturally and linguistically diverse (CALD) communities for its seventh year. Delivering information and education directly to CALD groups through partnerships with community organisations and multilingual media. Selected information for traders and consumer is now available in up to 34 community languages including those of new and emerging communities.

Employment relations policies and practices

The Department of Finance and Services participated in a formal and informal program of consultation with unions and other stakeholders during 2010/11 including seven formal organisational-wide consultative committee meetings and a similar number of local consultative forums. The current Memorandum of Understanding on consultative processes within the Department has been in effect for six years and a current review is anticipated to be finalised in 2011.

As a result of the Department of Premier and Cabinet's Corporate and Shared Services Blueprint, a Reform Consultative Committee has been established within the Department of Finance and Services to provide regular updates on the reforms within the Department, associated timelines, address industrial issues as they arise and as changes are implemented.

Of the significant number of issues and matters discussed as part of the formal consultative processes, only five formal disputes went to the NSW Industrial Relations Commission in 2010/11, all of which were resolved through conciliation.

Savings Plan

The Memorandum of Understanding (MoU) between the NSW Government, the Department and the unions outlining savings initiatives to fund increased wages and allowances expired on 30 June 2011. The Department captured 100 per cent of the required savings through implementation of agreed efficiencies and productivity improvements. In accordance with the Savings Plan there was a renewed focus on managing excess recreation leave balances (defined as greater than thirty days accumulated recreation leave) with the goal of ensuring that by 30 June 2011 no staff had more than 30 days accrued recreation leave. Ninety per cent of staff met this target.

Flexible Working Hours Agreement

The Department's *Flexible Working Hours Agreement* has been in place on a pilot basis since 2008. Following consultation with staff and unions the Agreement will be finalised in 2011/12.

Redeployment of displaced officers

The Department of Finance and Services prepares and assists excess staff to apply for vacancies in the public and private sector in accordance with the public sector policy for managing excess employees. During 2010/11, nine excess officers were redeployed into permanent positions. At 30 June 2011, there were 25 excess officers within the Department. Of these, 72 per cent were performing meaningful and valuable work for the Department or another Government agency. The remaining excess officers were actively job seeking and participating in relevant training programs.

Occupational health safety and injury management

The Department is committed to ensuring the occupational health and safety (OHS) and effective injury management of all employees and workplace visitors, including contractors, agency staff and customers. The following initiatives were undertaken in 2010/11:

- promoted mandatory OHS Management System training in order to increase awareness of OHS legislative requirements and Departmental policies and procedures; 90 per cent of managers and staff have now completed this training
- increased agency compliance with NSW Government requirements under the *Working Together Public Sector Workplace Health and Safety and Injury Management Strategy 2010–2012* including completion of an OHS management system audit and OHS training for staff on manual handling and conducting risk assessments
- adopted the Leading Well element of the *Working Together Strategy 2010-2012* that is concerned with the prevention and management of psychological injury and associated agency reporting requirements
- contributed to the development of an Emergency Management Framework for the Department by identifying and addressing OHS issues in line with legislative requirements and standards, including in relation to persons with a disability.

Staff health and wellbeing initiatives

The following initiatives were conducted in support of the NSW Government's *Healthy Workforce: Policy on Improving the Health and Wellbeing of all Public Sector Employees* and as part of the Department's commitment to staff health and wellbeing:

- coordinated the Annual Flu Vaccination Program in 21 locations across the state and involving over 1,000 staff (or 31 per cent). This is a voluntary program administered by qualified medical personnel designed to minimise the risk of staff contracting the influenza virus, thereby contributing to reduced staff absenteeism and improving workplace productivity
- coordinated the Global Corporate Challenge (GCC) involving a total of 469 staff (or 14%). The GCC is a 'Live Life Well' initiative that encourages sedentary workers to undertake regular exercise to improve their health and reduce their risk of chronic disease. On completion of the GCC, almost 50 per cent of GCC participants reported increased energy levels, increased ability to handle stress and weight loss
- supported a number of health and wellbeing activities including yoga and pilates classes and seminars promoting healthy eating and work-life balance.

Table A – Workers Compensation Claims

	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11	2010/11	2010/11
	No of injuries resulting in claims	No of injuries resulting in claims	No of injuries resulting in claims	No of injuries resulting in claims	No of injuries resulting in claims ²	No of injuries resulting in lost time	Total time lost due to injuries (in days) ³	Average time lost per injury (in days)
NSW Fair Trading	53	47	37	48	50	31	550.14	17.75
NSW Industrial Relations	6	11	12	9	5	5	48	9.6
NSW Procurement	1	2	4	2	4	4	32	8
ServiceFirst	8	13	12	12	15	9	209.71	23.3
Former DSTA ¹	76	51	43	54	60	30	203.86	6.8
Office of State Revenue ⁴					32	30	1,299.16	43.31
Land and Property Information ⁴					43	28	1,302	46.5
Total	144	124	108	125	209	137	3,644.87	26.6

Note 1: Former Department of Services, Technology and Administration (DSTA) includes all other divisions within the Department not specifically itemised in this table. Note 2: Claim numbers may increase for late notification of injury. Note 3: Time lost data will continue to change as claims mature and data is updated by the Insurer with payment of wage reimbursement schedule. Note 4: Data for previous year's not available.

Land and Property Information

The health, safety and welfare of Land and Property Information staff is a key priority for the division, safety performance is monitored, and key improvement areas are identified and actioned. On 1 January 2011, Land and Property Information's insurer changed from Allianz to EML. All new claims were accepted at EML from 1 January 2011 and tail claims were accepted to 1 April 2011. The transition went through with limited disruption to business. The Workforce Health and Safety Unit takes a risk management approach to claims on duty, with a proactive risk assessment process in place, which has resulted in a significant reduction in workplace injuries however this initiative has not reduced injuries outside the office.

NSW Public Works

NSW Public Works continues to support Government objectives by demonstrating safety leadership across its business operations. It has achieved a Lost Time Injury Frequency Ratio (LTIFR) of 2.9 across the \$1000 million per annum worth of construction projects it manages on behalf of its clients. The LTIFR of 2.9 lost time injuries per million hours worked compares favourably with the NSW construction industry performance of 16 lost time injuries per million hours worked.

This safety performance for NSW Public Works' operations working with the construction industry has been achieved as a result of a commitment to safety leadership at all levels, an effective safety management system that is regularly reviewed and improved, and a strong safety culture. The division is committed to working with stakeholders to improve safety management in the NSW construction industry and it participates on the WorkCover Construction Industry Reference Group, the Construction Safety Education Forum and various industry working parties. It continues to maintain productive relations with construction contractors and their employer associations, unions, WorkCover and other government agencies.

NSW Public Works has also implemented, with stakeholders, the innovative approach of establishing safety alliances for major construction projects. It has established with clients, construction contractors, unions and WorkCover, safety alliances on: the \$110 million South Coast Correctional Centre, Nowra; the \$25 million WIN Stadium Western Grandstand Project, Wollongong; and the \$10 million North Beach Bathers Pavilion, Wollongong. Each of the alliances is focused on the parties collaborating to improve safety performance for the benefit of all stakeholders.

Office of State Revenue

An OHS focus on the reduction of injuries and training saw two corporate key performance indicators set:

- Less than three workers compensation claims per 100 full time equivalent (FTE) staff arising from injuries in the workplace (excluding travel and other activities outside OSR premises) – this has remained on target throughout the year.
- Ninety per cent of managers and team leaders will receive training in OHS. As at 30 June 2011, 92 per cent had been trained.

The Office was successful in winning the Treasury Managed Fund Risk Management Awards conducted by TMF and SiCorp in the 'creating and implementing an OHS Management System' category.

Corporate Governance

Governance principles and framework

The Department has the following governance principles:

- clear role and responsibilities
- transparent and accountable decision-making
- effective, efficient and ethical decision-making
- respect for the law and high probity standards.

The Corporate Governance Framework is currently comprised of the following elements:

- strategic corporate planning
- people and learning strategy
- financial strategy
- ethical culture strategy
- information technology strategy
- compliance strategy
- communications strategy
- business planning
- business monitoring and reporting
- risk management.

The primary governance body for the Department is the Executive team which meets on a weekly basis. The Department is supported by an Audit and Risk Committee which is compliant with NSW Treasury's Internal Audit and Risk Management Policy for the NSW Public Sector (Policy and Guidelines Paper TPP09-05). The following subcommittees of the Executive were established in 2010/11 to provide additional oversight of key corporate governance functions:

- Finance, Planning and Performance
- People
- Accommodation
- Information and Communication Technology
- Corporate Services Reform.

Membership of these subcommittees is made up of members of the Executive and subject matter experts within the Department. A review of governance arrangements and reporting is underway in relation to entities transferred to the Department in April 2011.

Department of Finance and Services Executive

Director-General, Department of Finance and Services

Michael Coutts-Trotter

Michael Coutts-Trotter was appointed Director-General of the Department of Finance and Services on 4 April 2011. Prior to this, Michael held the position of Director-General of the NSW Department of Education and Training from September 2004. Previously, he was Director-General of the NSW Department of Commerce and chief of staff to the NSW Treasurer.

Deputy Director-General, Corporate Services and Chief Financial Officer

Paul Dexter

Paul Dexter has extensive commercial experience providing financial and strategic advice; and leading significant organisational performance management and change programs within large organisations. His career path spans both the private and public sector within Australia and New Zealand, particularly in the shared and corporate services arena. His roles include: working as Director Financial Services for Queensland Government Shared Services; Chief Financial Officer for WorkCover NSW; and a range of private sector roles.

Deputy Director-General, Government Services

Anne Skewes

Prior to joining the Department of Finance and Services in 2009, Anne was Chief Executive Officer, State Property Authority and former Chief Executive of the Land Development Agency in the Australian Capital Territory. She has extensive experience as a senior executive and general manager in commercial government enterprises spanning three jurisdictions.

Executive Director, Industrial Relations

Vicki Telfer

Vicki Telfer joined the Department in October 2010 as the Executive Director of NSW Industrial Relations (NSWIR) and has extensive industrial relations experience. Prior to this Vicki was at WorkCover for over ten years with the last six in the role of General Manager Strategy and Policy.

General Manager, Land and Property Information

Des Mooney

Des Mooney was appointed to this position in February 2001. He has extensive senior management experience in both the public and private sectors including experience in surveying, mapping and valuation activities. He is a Director of Public Sector Mapping Agencies Australia and a member of the Australian Registrars National Electronic Conveyancing Council. Des is also a registered surveyor and registered valuer.

Acting General Counsel/Director, Legal and Governance

Susan Bentley

Susan Bentley joined the Department in July 2004. Prior to this, Susan worked with The Cabinet Office for over five years. She has acted in the position of General Counsel and Director Legal and Governance since April 2011 and has extensive experience in the processes involved in formulating policy and administration of legal areas.

Deputy Commissioner, NSW Fair Trading (National Reform)

Rod Stowe

Rod Stowe was appointed as a Deputy Commissioner with NSW Fair Trading in June 2006. Rod has worked in the Fair Trading portfolio for over 22 years where he has had a variety of roles including Policy Advisor, Director of Customer Services and Assistant Commissioner for Policy and Strategy. In a public sector career spanning 34 years, Rod has gained wide experience in government following previous postings in portfolios covering environmental protection, education, local government and state superannuation.

Deputy Commissioner, NSW Fair Trading (Operations)

Steve Griffin

Steve Griffin was appointed as Deputy Commissioner, Fair Trading Operations in November 2010 having acted in that role since January 2010. Steve has worked in the NSW public sector for 26 years, including senior roles with the NSW Police Force and Inspector-General of Corrective Services. Steve's career focus has been in the area of regulatory compliance. Steve has been with Fair Trading since 2003 and has held various senior strategic roles in Fair Trading, such as Assistant Commissioner, Home Building and Director, Mediation Services and Compliance.

Deputy Director-General, NSW Public Works

Brian Baker

Brian Baker 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 non-government entities, including a major engineering and construction company and in various consulting roles.

Executive Director, Office of State Revenue and Chief Commissioner of State Revenue

Tony Newbury

Tony Newbury was appointed Executive Director and Chief Commissioner of State Revenue in 2007. He joined the Office of State Revenue in 1985 after 13 years with the Australian Taxation Office. Tony has also held the roles of Director, Planning and Review and Chief Operating Officer at the Office of State Revenue.

Acting Assistant Director-General, Policy

Anthony Lean

Anthony Lean has 17 years experience in legal, legislative and policy roles in the public sector in a range of agencies, including the Department of Premier and Cabinet, WorkCover NSW, NSW Health and The Cabinet Office. He has advised on a wide range of significant and complex legal issues across government and has developed or overseen the passage of a number of significant legislative reforms.

Director, Reform Co-ordination

Michael Silk

Michael Silk was appointed to this position in December 2010. He previously held the position of Executive Director, Fair Trading Services. Michael has worked in the NSW public sector for 36 years, including senior roles in financial management, government administration and the provision of high-level strategic advice. He has extensive experience in organisational reform and change management as well as business process re-engineering having led a number of major reform initiatives.

Changes to the Executive in 2010/11

- Peter Duncan, Director-General, former Department of Services, Technology and Administration, left the Department on 1 April 2011
- Emmanuel Rodriguez, Government Chief Information Officer left the Department on 8 January 2011.

Key governance activities

The Department regularly reviews compliance with corporate governance policies and provides quarterly reports on the results of those reviews to the Executive and Audit and Risk Committee. The Corporate Compliance Framework was formally reviewed in March 2011. The review provided assurance to the Executive of continued compliance with legislation and policies.

The Internal Control Framework for the Department was reviewed in April 2011 and a report provided to the Audit and Risk Committee in May 2011. This work will be further refined to take into account the new entities that are now included in the Department and cluster.

Enterprise risk management processes were aligned to the Department's corporate planning process. This resulted in a review of strategic risks to the Department and its divisions to ensure robust controls are in place to support the implementation of the corporate plan and supporting division and business unit plans. These risks are being tracked and monitored by the Executive and are regularly reported on. It is planned that a Governance Steering Committee will be established to provide oversight of the Department's governance and risk activities.

Corporate performance management

The Department of Finance and Services' strategic planning and performance framework is a suite of key corporate and divisional plans and performance management tools that outline and enable the delivery of short, medium and long-term objectives and strategies to deliver NSW Government priorities. The framework aim is to improve accountability, transparency and support an achievement focussed organisation. The Department's planning and performance framework includes:

- the Corporate Plan
- the Results and Services Plan
- the Total Asset Management Plan
- strategic corporate functional plans to manage corporate services delivery including the People Plan and the Information and Communications Technology Plan
- divisional four year Service Implementation Plans which outline each division's goals and objectives and key strategies over four years. These plans are supported by Divisional Annual Operational Plans which provide operational tactical detail and accountability
- Individual Work Plans and Performance Development Plans for staff.

Performance is reported through:

- external reporting to NSW Government agencies and the public on governance, financial, services delivery and other measures
- quarterly and annual reports to the Department of Finance and Services Executive on performance in achieving strategic objectives
- monthly Dashboard and Performance Reports on key performance indicators
- staff performance is monitored through SES Agreements and the Performance Development Program
- NSW Government annual reporting requirements.

Plans are regularly reviewed and are a vital component of the Department's management of identified strategic risks.

Risk management

Corporate risk management

The Department has in place an Enterprise Risk Management Framework which complies with the core requirements of NSW Treasury's *Internal Audit and Risk Management Policy for the NSW Public Sector* (Policy and Guidelines Paper TPP09-05) and ISO3100:2009. The key objectives of the Enterprise Risk Management Framework are to:

- integrate risk management principles and processes into corporate, division and business unit planning to increase the likelihood of the Department achieving its corporate objectives

- create and support proactive risk management and ensure that an appropriate level of resources is allocated to control risks
- improve governance and reporting to ensure that information about risks to the organisation and its objectives are efficiently and effectively communicated to the appropriate decision-making level.

To support the achievement of these objectives the following key activities were undertaken in 2010/11:

- the Department is in the process of procuring enterprise risk management software to achieve reporting efficiencies and standardise processes across the Department
- risk management and governance processes for the Department's flagship projects were reviewed and improved and additional reporting to the Executive and the Audit and Risk Committee introduced
- risk assessments of the objectives in business plans and the Department's Corporate Plan were undertaken and monitoring of the risk mitigation strategies and controls was introduced
- quarterly reviews of key governance policies were established with reporting to the Executive and Audit and Risk Committee.

The Audit and Risk Committee structure and reporting for the Department is currently under review to take into account the changes to the Department in April 2011. This will include alignment of corporate governance policies and processes and a review of the enterprise risk management framework.

Insurance activities

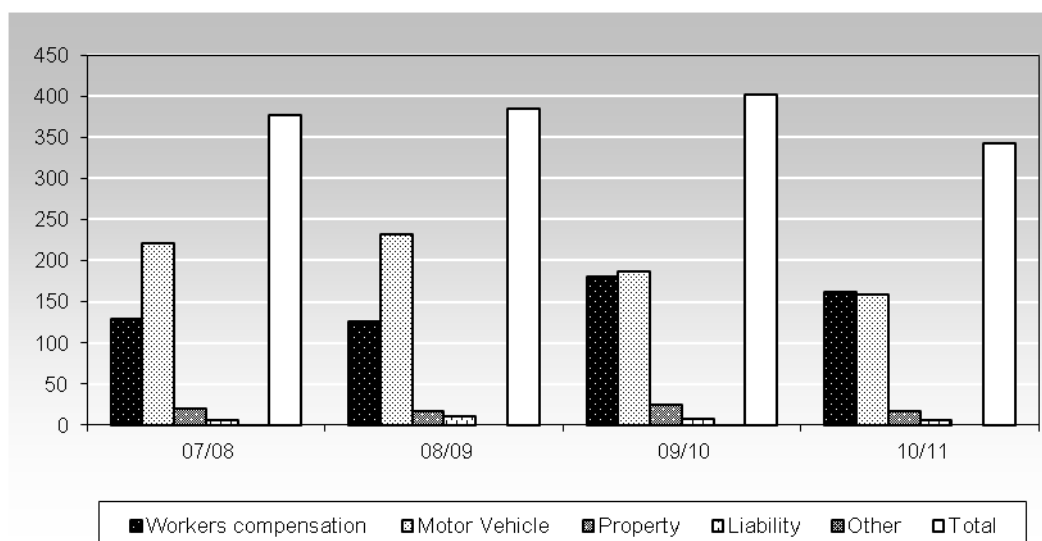
The Department continues to protect its insurable asset and liability exposures through participation in the NSW Treasury Managed Fund (TMF), a NSW government self insurance scheme. Insurable risk lines covered are property, liability, motor vehicle, workers' compensation, travel and personal accident.

Total insurable risk deposit premiums decreased 15.98 per cent or \$839,000 compared to 2009/10. Premium performance against the TMF Primary Pool was better by 12.08 per cent. Contributing to the very strong result was the performance by the workers' compensation line which saw the premium decrease 21.87 per cent. The property line also had a 24.52 per cent reduction in the cost of the premium. Lower claims experience was the major factor in achieving the premium results.

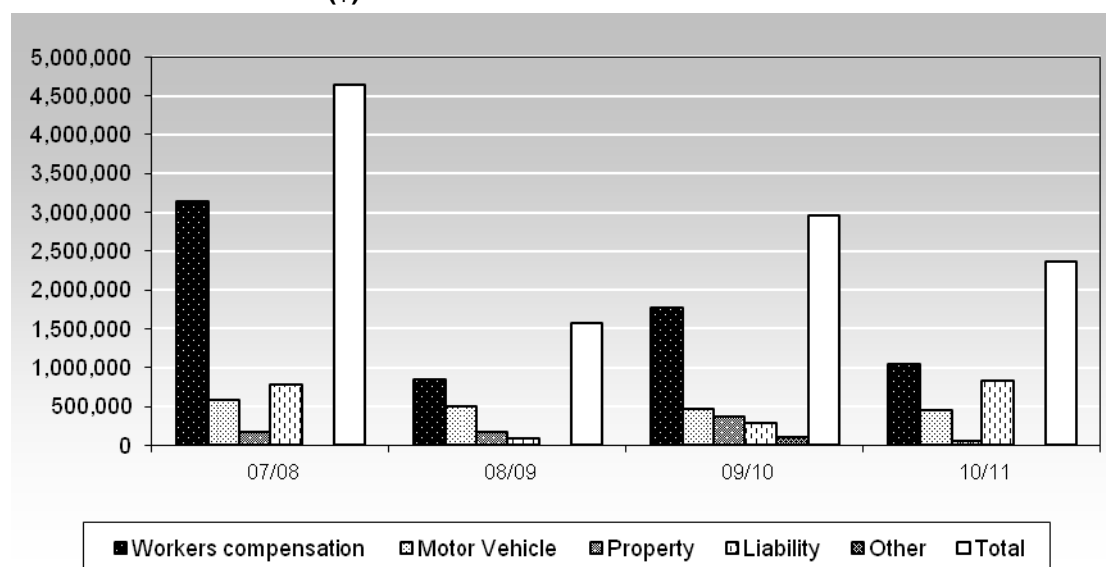
Claims performance

The total number of registered claims and the net incurred cost of claims were lower compared to 2009/10.

Number of claims



Net incurred claims cost (\$)



Data source: NSW SICorp Data Warehouse "Claim Cost Statistics" current at 30/6/2011

The Office of State Revenue and the Land and Property Information division's insurance coverage is provided through the TMF, including workers' compensation, general liability, motor vehicle, property and miscellaneous covers. These divisions' premium performance and claims experience has been good and fairly static in renewal cost over recent years. In 2011/12, the Department will consider the coordination of reporting insurance activities for all areas transferred to the Department in April 2011.

Internal Audit and Risk Management Attestation

Internal Audit and Risk Management Attestation for the 2010/11 Financial Year for the NSW Department of Finance and Services

The NSW Department of Finance and Services was formed on 4 April 2011 under the *Public Sector Employment and Management (Departments) Order 2011* (the Order).

Relevantly, the Order:

- renamed the Department of Services, Technology and Administration as the Department of Finance and Services;
- removed all branches of the Land and Property Management Authority including Land and Property Information (subject to the exceptions noted in the Order), and added these to the Department of Finance and Services; and
- removed the Office of State Revenue from the Treasury and added it to the Department of Finance and Services.

I, Michael Coutts-Trotter, Director-General of the NSW Department of Finance and Services (DFS) am of the opinion that DFS has internal audit and risk management processes in operation that are, in all material aspects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

For Land and Property Information and the Office of State Revenue, being entities that have become part of DFS as a result of the Order, I, Michael Coutts-Trotter am able to attest that internal audit and risk management processes that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy* were in place as at 30 June 2011.

These processes provide a level of assurance that enables senior management of DFS to understand, manage and satisfactorily control risk exposures.

I, Michael Coutts-Trotter, Director-General of DFS am of the opinion that the Audit and Risk Committee for DFS is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Mr Peter Whitehead, Independent Chair (period of appointment from 1 September 2009 to 31 August 2012)
- Ms Carolyn Burlew, Independent Member (period of appointment from 1 September 2009 to 31 August 2011)
- Dr Gul Izmir, Independent Member (period of appointment from 8 October 2009 to 7 October 2011)
- Ms Anne Skewes, Non-independent member (period of appointment from 24 March 2010 to 23 March 2013)
- Mr Michael Silk, Non-independent member (period of appointment from 24 March 2010 to 23 March 2013)

The Audit and Risk Committee's oversight did not extend to Land and Property Information and the Office of State Revenue during the 2010/11 reporting period.

I, Michael Coutts-Trotter, Director-General of DFS declare that this Internal Audit and Risk Management Attestation is made on behalf of the following controlled entity:

- NSW Government Telecommunications Authority

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury.



Michael Coutts-Trotter
Director-General
NSW Department of Finance and Services

Audit and compliance

Department of Finance and Services Audit and Risk Committee

During 2010/11, the Department had in place an Audit and Risk Committee compliant with NSW Treasury's Internal Audit and Risk Management Policy for the NSW Public Sector (TPP09-05). This Committee met five times to oversee financial reporting, internal control systems, risk management, corruption prevention, compliance systems and other regulatory requirements, and the internal and external audit functions.

In April 2011, parts of the former Land and Property Management Authority and the Office of State Revenue were transferred to the Department. Both had in place formally constituted Audit and Risk Committees under NSW Treasury's Internal Audit and Risk Management Policy for the NSW Public Sector (TPP09-05). These functions will now be overseen by the Department's Audit and Risk Committee.

Internal audit

The Department of Finance and Services Audit Branch plays an important role in the governance framework by reviewing the compliance, efficiency and effectiveness of priority programs and processes and the adequacy of internal controls. The annual Internal Audit Plan is endorsed by the Audit and Risk Committee and approved by the Director-General.

In addition to its planned program of work, Audit Branch provided services on a wide range of matters during the year. These included conducting investigations arising from complaints, protected disclosures, inappropriate practices, potential fraud, undertaking special projects at the request of Executive or management on matters such as policy, IT controls and security, internal control improvements, process and procedural enhancements and corruption prevention.

The Audit Branch undertook 197 audit related projects, comprising 45 planned audits (compliance, operational/performance and information technology) and 152 special projects and investigations. Eighty five per cent of Audit Branch projects and activities focused on issues assessed as either high or medium risk to the Department. These spread across all key functional areas (HR, IT, finance, procurement compliance, corruption prevention) and more than 50 per cent had Department-wide relevance.

The Audit Branch's key challenges in 2011/12 will include determining the impacts of the changing risk profile on the control environment and internal audit plan; taking the lead in corruption related investigations for the newly joined divisions; and developing options for the operating model of the pre-existing internal audit functions of new divisions.

External audit

During 2010/11, the Audit Office of NSW audited the financial statements of the Department of Finance and Services and its controlled entities.

The Audit Office issued the statutory audit report on 17 October 2011 for the department and its controlled entities for the 2010/11 financial year. The following significant matters were identified:

- **Airport Transaction:** The audit report noted that this duties transaction and related accrued interest totalling \$556.9 million has been correctly recognised in administered revenue and assets (as a receivable) in accordance with the Taxation Administration Act 1996 and accounting standards. An allowance for impairment of \$142.6 million has been recognised. The Auditor-General noted that the assessment is subject to an appeal in the Supreme Court of NSW with the hearing currently set to commence on 11 June 2012. The outcome of the appeal could have a significant impact on the State's future budget result. Audit has advised that they will continue to monitor the appeal process.

- Compliance Review Report - Procurement Reform of e-Procurement and e-Tendering: The Auditor-General, in Volume 1 of his 2011 Report to Parliament, reported that he found the level of non-compliance with the requirements of the Premier's Memorandum (M2006-11 NSW Procurement Reforms).

The Department's response to the above audit observations are as follows:

- Airport Transaction: The matter is set down for hearing from Monday 11 June 2012 to Friday 20 July 2012 and for a further six weeks from Monday 17 September 2012 to Friday 26 October 2012. The Department will continue to keep both the Audit Office and Treasury informed of any key developments that may have an impact on the State's future budget result.

The Department of Finance and Services administers this activity on behalf of the Crown and therefore any change in this item has no impact on the department's financial statements.

- Compliance Review Report - Recommendations from the Compliance Review Report are currently being implemented. By way of summary the Department is committed to:
 - implementing a broad program of engagement to assist agencies to better understand and undertake Government procurement policy, procedure and practice
 - review Government procurement policy for alignment to the new end-to-end procurement processes
 - a project to simplify the development of agency specific catalogues is in progress
 - ensuring training programs are offered by the Department on an ongoing basis
 - implementing further change as part of the Corporate and Shared Services Reform Project
 - additionally an audit of the website is completed and the Department is merging the websites accordingly.

The Auditor-General's 2010/11 Audit Report to Parliament is expected to be tabled in November 2011.

Ethics and probity

The Department has a major role in the delivery of NSW government services to the community and government clients. It 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 the Department 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 Department's 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 the Department must adopt these standards of ethical behaviour. The Statement is available on the Department's website <http://services.nsw.gov.au/about-us/business-ethics>. In 2011/12, it is to be reviewed as part of the development of the Department's Fraud and Corruption Control Strategy.

The Department of Finance and Services is committed to the highest standards of conduct of its staff. To meet this commitment, the Department has a Code of Conduct to cover all business units and to more closely align staff conduct with the organisational values and ethics which underpin the Department's policies and procedures. The Department has developed a Conduct Framework that draws all relevant strategies, policies, procedures and initiatives under a coherent structure to reduce the instances of conduct issues and to more effectively manage them when they arise. Training programs have been developed and are currently being rolled out across the organisation to senior management, managers and staff. In addition, work has recently commenced on reviewing the current grievance and bullying and harassment policies.

Accessing Department of Finance and Services information

Government Information (Public Access) Act 2009

On 1 July 2010, the *Government Information (Public Access) Act 2009* (GIPA Act) replaced the *Freedom of Information Act 1989*. The GIPA Act applies to all NSW Government agencies. The new right to information system encourages government agencies to release information proactively. The new system also makes it easier for individuals to access government and personal information from government agencies.

A review of information proactively released under the GIPA Act was undertaken in preparation for the new Publication Guide for the Department of Finance and Services. As a result of its review the Office of State Revenue added information regarding statistics on safety and mobile speed cameras to the selection of statistics already available on its website. Information about this division's compliance program was also increased.

The departmental policy titled Release of Government Information under the *Government Information (Public Access) Act 2009* and a procedure titled Procedure for Dealing with Formal Access Applications under the *Government Information (Public Access) Act 2009* will be reviewed during 2011/12.

Statistical information relating to the GIPA Act is provided in the appendices of this report.

Programs and activities

The structure and functions of the Department of Finance and Services and how these functions affect the public are described in this annual report. Information about the Department of Finance and Services programs and activities, publications and its policies can also be found on the website www.services.nsw.gov.au.

Accessing the Department's documents

Policies and publications can be accessed from the Department's website www.services.nsw.gov.au or by contacting the Department's Right to Information Officers (contact details below).

Applications for access to documents under the provisions of the GIPA Act must be in writing, either on an application form or by letter, accompanied by the \$30 application fee and sent to the Right to Information Officers at:

Department of Finance and Services
Level 22, McKell Building
2-24 Rawson Place
SYDNEY NSW 2000
Tel: (02) 9372 8720
Fax: (02) 9372 8733
Email: gipa@services.nsw.gov.au

NSW Fair Trading
PO Box 972
PARRAMATTA NSW 2124
Tel: (02) 9338 8979
Fax: (02) 9338 8970
Email: gipa@services.nsw.gov.au

NSW Industrial Relations
Level 23, McKell Building
2-24 Rawson Place
SYDNEY NSW 2000
Tel: (02) 9020 4505
Fax: (02) 9020 4730
Email: gipa@services.nsw.gov.au

Land and Property Information
1 Prince Albert Road
SYDNEY NSW 2000
GPO Box 15
Sydney NSW 2001
Tel: 1300 052 637

Office of State Revenue
GPO Box 4042
SYDNEY NSW 2001
(02) 6354 7130
Email: rio@osr.nsw.gov.au

Processing access requests

The Right to Information Officers must acknowledge the request within five working days and decisions on access are normally made within 20 working days of receipt. If the processing time has to be extended, the applicant must be kept informed about the processing 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.

An applicant's right to access is restricted only when there is an overriding public interest against disclosing the particular information. The Department's Right to Information Officers will provide an access decision letter giving reasons why access to information is restricted.

If the request is restricted the applicant has rights of review and appeal and this information is disclosed with the decision. Reviews by the Information Commissioner and the Administrative Decisions Tribunal apply under the GIPA Act.

Charges for access

The charge for access to documents is a \$30 application fee. There is a 50 per cent discount for financial hardship (copy of Pension card issued by Commonwealth or Centrelink card), full-time student (copy of current education enrolment), non-profit organisation or where a special benefit to the public can be demonstrated. A processing charge may be imposed for dealing with an access application at a rate of \$30 per hour for each hour of processing time for the application.

Privacy and Personal Information Protection Act 1998

In accordance with Section 33(3) of the *Privacy and Personal Information Protection Act 1998* (Privacy Act), NSW Government agencies are required to prepare and implement a Privacy Management Plan. In December 2010, the former Department of Services, Technology and Administration updated and published a new Privacy Management Plan. The Office of State Revenue reviewed and updated its Privacy Management Plan in February 2011 and its process for conducting internal reviews in March 2011. As a result of administrative changes which occurred during the reporting year, a review of the Privacy Management Plan will be undertaken to ensure that the document reflects these changes and to ensure consistency with the structure and functions of the Department of Finance and Services.

Members of the public and staff may refer enquiries regarding personal information matters to the following Department of Finance and Services Privacy Coordinators:

Department of Finance and Services Level 22, McKell Building 2-24 Rawson Place SYDNEY NSW 2000 Tel: (02) 9372 8720 Fax: (02) 9372 8733	NSW Fair Trading PO Box 972 PARRAMATTA NSW 2124 Tel: (02) 9338 8979 Fax: (02) 9338 8970	NSW Industrial Relations Level 23, McKell Building 2-24 Rawson Place SYDNEY NSW 2000 Tel: (02) 9020 4505 Fax: (02) 9020 4730
Land and Property Information 1 Prince Albert Road SYDNEY NSW 2000 GPO Box 15 Sydney NSW 2001 Tel: 1300 052 637	Office of State Revenue GPO Box 4042 SYDNEY NSW 2001 (02) 6354 7130	

Access request applications under section 14 of the Privacy Act

Office of State Revenue, in the course of administering NSW revenue and fines laws, collects personal information from members of the public and from other NSW government agencies.

Requests for access to personal information arising from the administration of these laws are processed by the Office of State Revenue as part of its core business. No fees or charges are levied in relation to access requests from its clients.

In respect of the remainder of the Department of Finance and Services, no access applications were received during the financial year.

Applications for internal review of the conduct of Department of Finance and Services under s53(1) of the Privacy Act.

In 2010/11, six applications for internal review were received under the Privacy Act related to divisions of the Department of Finance and Services.

The Office of State Revenue received four applications and, of the three completed, one breach of privacy was found to have taken place. One review was carried over to 2011/12.

The division of Land and Property Information received one request for an internal review and no breach of privacy was found to have taken place.

Government Services division received one request for an internal review and it was carried over to 2011/12.

In relation to the above applications, the Privacy Commissioner's Office was consulted throughout the reviews and, wherever made, its recommendations were followed, including a reminder to staff to follow correct processes in respect of one of the Office of State Revenue's investigations.

External review matters under the Privacy Act

There were no appeals to the Administrative Decisions Tribunal during the financial year.

One Acting Privacy Commissioner's investigation relating to the Office of State Revenue was carried over to 2011/12.

Access 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.

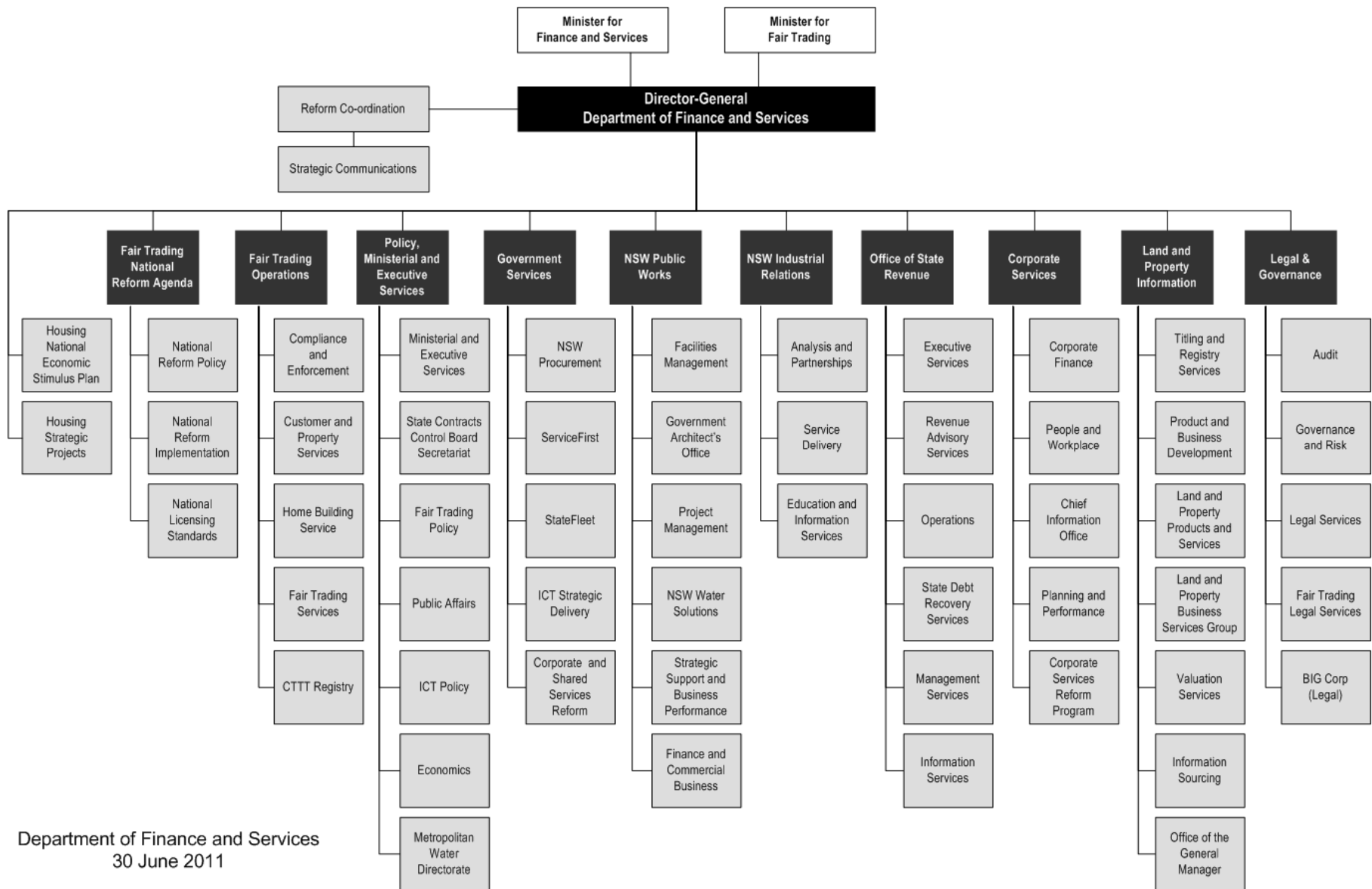
However, Office of State Revenue do not apply any fees and charges for members of the public applying to access personal information that is collected as a result of its administration of NSW revenue laws.

Codes of practice

A Code of Practice is in place that modifies the application of the Privacy Act for NSW Fair Trading. The Code of Practice authorises non-compliance with the information protection principles where they prevent NSW Fair Trading from carrying out its functions. NSW Fair Trading 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.

Regulatory exemption

Land and Property Information division maintains a number of public registers on behalf of the Registrar General, the Valuer General and the Minister administering the *Water Management Act 2000*. By virtue of Clause 6 of the *Privacy and Personal Information Protection Regulation 2005*, exemptions exist in relation to the public register provisions outlined at Part 6 of the Privacy Act.



Department of Finance and Services related entities reports and other reporting requirements

Annual reporting requirements for the following related entities and offices are included in this section of the report:

- State Contracts Control Board
- NSW Government Telecommunications Authority (Telco)
- Australian Centre for Advanced Computing and Telecommunications Pty Ltd (ac3)
- Report of the Valuer General
- Report of the Surveyor General
- Report of the Registrar General
- Geographical Names Board
- Waste Assets Management Corporation.

Other annual reporting requirements relate to the Community Land Management Act 1989, Strata Schemes Management Act 1996 and the Residential Tenancies Act 1987.

State Contracts Control Board

Legislation

The State Contracts Control Board is established under section 135 of the *Public Sector Employment and Management Act 2002*. Section 136 of the Act provides that the Board has the functions conferred on it by the Act and the regulations made under the Act. The *Public Sector Employment and Management (Goods and Services) Regulation 2010* specifies the Board's functions. Clause 7 of the Regulation provides that the Board is solely responsible for arranging the supply of goods and services necessary for the operation of the public sector service. The Board is also responsible for the disposal of any goods by the public sector service that are either unserviceable or no longer required.

Section 142 of the Act specifies that the Board must, on or before 31 October in each year, prepare and present to the Minister a report of its work and activities for the year ending on the preceding 30 June. The report may be included in any annual report of the Department for which the Minister is responsible.

Membership

Over the reporting period, the Board members were:

- Dr Kerry Schott, Managing Director, Sydney Water Corporation, Chairperson
- Ms Sally Barnes, Deputy Chief Executive, Parks and Wildlife Group, Office of Environment and Heritage, Department of Premier and Cabinet
- Mr Barry Buffier, Deputy Director-General, State and Regional Development and Tourism, Department of Trade and Investment, Regional Infrastructure and Services
- Mr Michael Coutts-Trotter, Director-General, Department of Finance and Services
- Mr Peter Duncan, Deputy Director-General, Government Coordination and Corporate Administration, Department of Premier and Cabinet
- Mr Michael Schur, Secretary, The Treasury (until 28 April 2011).

Meetings

The Board schedules eleven meetings per year; and, in 2010/11, the Board held eleven meetings.

Administration

The Board's administrative support and its costs were met by Department of Finance and Services.

Activities

Since its restructure in 2009, the Board, in addition to fulfilling its administrative functions in government contracting, has taken the lead in reforming government procurement of goods and service. Release of the Board's *State Contracts Control Board Business Plan 2010 – 2013* has been a primary factor in this broader and more strategic role. In line with the plan, the Board activities have headed in two directions:

First, in 2010/11, the Board completed the restructure of its operational arm, NSW Procurement, Department of Finance and Services. With the new structure in place, the Board has been able to move its own activities to contemporary procurement practices, such as category management and more strategic purchasing mechanisms. The Board, through NSW Procurement, has been well-positioned to respond to the Government's savings targets through procurement.

Second, the Board has been pro-active in promoting better procurement across government. In 2010/11, the Board overhauled its mechanism for guiding agencies' procurement activities, by reviewing the Board's Agency Accreditation Scheme for Goods and Services Procurement and establishing the revised scheme for implementation in 2011/12. Through its accreditation of agencies, the Board is able to assess agencies' procurement resources and skills and to accredit agencies to purchase goods and services at a level commensurate with these competencies.

Major activities of the Board in 2010/11 included:

- overseeing the tender and award of Contracts 1001620 to 1001652 Whole of Government Facilities Management Services (Asset Maintenance and Cleaning)
- revising and establishing the new mechanism for purchasing electricity (large sites)
- establishing the whole of government agreement with Microsoft for the purchase of Microsoft common use software
- managing the Government's Data Centre Project
- establishing the NSW Government Chief Procurement Officers Forum
- making a submission to the Independent Commission Against Corruption's consultation about its paper, Corruption risks in NSW Public Sector Procurement (July 2010)
- establishing the Board's education program on procurement fraud and corruption prevention, commencing with central city forums for government agencies and suppliers
- consulting on and amending Procure IT
- analysing the economic impacts of the management fee applied to the Board's contracts
- prioritising the Board's program of works based on its newly established risk and opportunity matrix
- overseeing NSW Procurement's response to the Auditor General's report, Compliance Review Report – Procurement Reform of e-Procurement and e-Tendering
- commencing the review of the Board's standard contract provisions.

In April 2011, the Minister initiated a comprehensive review of the Government's procurement of goods and services, including assessing the legislative and administrative arrangements for delivering procurement services.

Procurement policies

The Government's procurement policies and related matters, which inform the Board's work, are available at www.procurement.nsw.gov.au.

Contracts awarded in 2010/11

In 2010/11, the Board awarded the following contracts:

- Contracts 1001620 to 1001652 - Whole of Government Facilities Management Services (Asset Maintenance and Cleaning)
- Contract 4000 Retail Supply of Natural Gas for Small Site Customers
- Contract 2020a ERP Systems Implementation & Managed Services (SIMS)
- Contract 278 Electrical and Gas Appliances and Presentation Equipment
- Contract 2682 Security Guard Services
- Contract 370 Supply of Card Fuel & Associated Services for NSW Government & Participating Jurisdictions (QLD & ACT)
- Contract 1008 Travel Management Services
- Contract 1009 Virtual Travel Card Payment Facility for NSW Government and Other Eligible Customers
- Contract 1011 Print Management Service Providers
- Contract 777 Retail Electricity Services & Risk Management - Large Sites
- Contract 367 Tyres & Ancillary Services
- Contract 777A Retail Electricity Services & Risk Management - Large Sites (Non-Government Customers)
- Contract 1000529 - Print Warehousing and Distribution Services for NSW Government

Board contracts

All current state whole of government contracts are listed in the 2010 Guide to Purchasing from State Contracts available at <http://www.nswbuy.com.au/state-contracts-guide/index.html>.

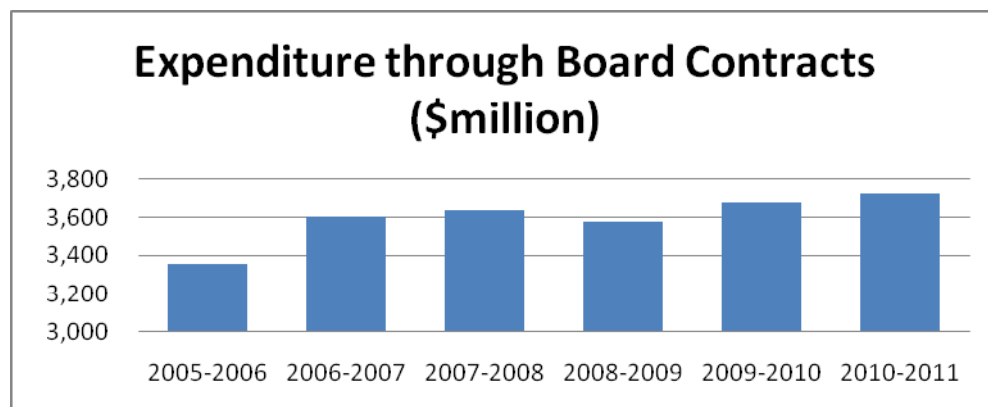
In addition, the Board's operating arm, NSW Procurement, Department of Finance and Services, assisted other government agencies with the awarding of eleven agency-specific state contracts:

- Contract 800240 - NSW Metropolitan Regional & Specialist Television and Radio Monitoring Services & Website Monitoring Services for the Department of Premier and Cabinet
- Contract 801674 - Treasury Managed Funds - Claims Management for the Treasury
- Contract 1000435 - Targeted Housing and Support Services for ex-prisoners for Corrective Services NSW for the Department of Attorney General and Justice
- Contract 801664 - Scaffolding - Modular Scaffolding for NSW Public Works, Department of Finance and Services
- Contract 801676 - Treasury Managed Funds - reinsurance services for the Treasury
- Contract 1000510 - Supply of Retardant and Gels for the Rural Fire Service
- Contract 1002286 - Direct Negotiation for Benchmarking Services for the Treasury
- Contract 1000533 - Content Maintenance for ServiceLink Web-based Service Directory for Human Services Network for the Department of Finance and Services
- Contract 1000869 - IT Consulting Services for Office of Boards of Studies NSW (OBOS) for the Department of Education and Communities

- Contract 801656 – Hire of Mobile Cranes, Travel Towers & Transport Trucks with Operators for the Department of Finance and Services
- Contract 1001919 - Construction of Heavy Vehicle Tankers (Categories 1 & 11) for the NSW Rural Fire Service.

Expenditure through Board contracts

In 2010/11, expenditure by government agencies and other eligible clients through whole of government state contracts totalled \$3,726 million. The graph and table below set out the expenditure through Board contracts over the last six years:



Year	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Spend (\$M)	3,356	3,603	3,640	3,578	3,676	3,726

The top fifteen state contracts in terms of expenditure sum up to \$2,704 million in 2010/11 representing 72.6 per cent of the total expenditure of \$3,726 million. The fifteen contracts are set out in the table below.

Rank	Contract No	Contract Name	Expenditure (\$)
1	653	Acquisition of Motor Vehicles	531,291,300
2	100	Contingent Workforce	478,101,972
3	2360	Government Telecommunication Agreements	345,657,594
4	777	Retail supply of Electricity	305,293,490
5	366	Fuel and Associated Products	239,179,456
6	1006	Workplace Supplies	118,060,417
7	2020	ICT Services Approved Supplier Panel	112,471,100
8	2007	PCs, Notebooks, Servers & Associated Services	105,807,458
9	902	Pharmaceuticals	91,916,208
10	370	Card Fuel & Associated Services	91,056,412
11	810	Food Services	78,062,652
12	2390	Imaging Devices & Document Solutions	58,870,637

Rank	Contract No	Contract Name	Expenditure (\$)
13	1008	Travel Management Services	57,691,867
14	DITM 2000-01	Telecomm Service Agreement	50,194,056
15	0500343 & 0500344	Facilities Management - Cleaning	40,623,000
Total			2,704,277,619

Savings through using State Contracts

With the change in Government, savings from the use of State Contracts will form part of the Government's commitment to save \$1 billion in goods and services expenditure over four years.

Complaints

The Board deals with complaints about NSW Government tenders and contracts. The Board Chairperson investigates complaints to determine whether processes were appropriate and in accordance with NSW Government procurement policies and procedures and contract conditions.

During 2010/11, the Board Chairperson received fourteen complaints in relation to the procurement within the Government. All complaints were investigated.

Statutory reporting requirements

The Board 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 Board by the Minister under the *Public Sector Management (Goods and Services) Regulation 2000*.

There are no matters to report in regard to these two areas.

State Contracts Control Board

Level 16

McKell Building

2-24 Rawson Place

Sydney NSW 2000

Tel: (02) 9372 8840

Fax: (02) 9372 7533

secretariat.SCCB@services.nsw.gov.au

NSW Government Telecommunications Authority (Telco)

The NSW Government Telecommunications Authority (Authority) is constituted by the *NSW Government Telecommunications Act 1991*. The objects of the Act are to:

- integrate the various telecommunications networks of NSW Government agencies and to provide for the common carriage of the communications of Government agencies;
- establish a NSW Government Telecommunications Authority, and to vest that integrated telecommunications network and its control and management in the Authority as agent for the Government of the State;
- enable the Government of the State (through the Authority) to operate and maintain in an efficient and economical manner that integrated telecommunications network;
- enable the best commercial advantage to be obtained from any excess capacity of that integrated telecommunications network; and
- enable Government agencies to obtain the best commercial advantage from any infrastructure or facilities required by the operators of the public telecommunications networks and other licensees.

For the purposes of the Act, a radio-communications network is a telecommunications network.

In November 2010, following a review conducted by the Department of Premier and Cabinet, 'Premier's Memorandum M2010-16 Government Mobile Radio Services' was issued and assigned new functions to the Telco Authority. These functions concern improved levels of service delivery for government mobile radio users through a more integrated and more cost efficient delivery of mobile radio infrastructure and services.

The Memorandum identifies that the Telco Authority will:

- develop a sector-wide policy framework for mobile radio and related services, in consultation with affected agencies, including spectrum acquisition and allocation
- undertake a comprehensive audit of existing mobile radio infrastructure and an operational needs assessment and, in consultation with affected agencies and the local government sector, develop a state-wide strategy and an implementation plan for government mobile radio services
- provide mobile radio network services in the following priority order:
 - consolidate the Government Radio Network (GRN) and the NSW Police Force's (NSWPF) conventional networks within the GRN metropolitan footprint
 - consolidate agencies' conventional networks operating outside the GRN footprint, with a focus on emergency and essential (utilities) services
 - integrate the consolidated conventional networks and the consolidated GRN/ NSWPF network to create a single state-wide mobile radio service.
- provide mobile radio network services (infrastructure, sites and other elements as appropriate) on cost-recovery principles, charging tariffs based on the number of handsets able to be used on each network
- manage, in accordance with user service requirements, all NSW Government mobile radio network assets, infrastructure, equipment and other capital, unless mutually agreed with the Telco Authority.

The Authority is to be overseen by a governing board of independent members and nominees of radio using portfolios.

Functions of the Board

The Board of the Telco Authority is established under the Act to:

- determine the policies and long-term strategic plans of the Authority,
- oversee the effective, efficient and economical management of the Authority, and

- advise the Minister (at the request of the Minister or on its own initiative) on any matter relating to the telecommunication requirements of the Government of the State or on the commercial advantages available to the Government of the State with respect to telecommunications.

Membership of the Board

The Board is currently not constituted but the process of constituting the Board has begun.

The affairs of the Telco Authority were managed by an Acting Managing Director, Mr Peter Duncan, Director-General, Department of Services, Technology and Administration, until 1 April 2011. Mr Michael Coutts-Trotter, Director-General, Department of Finance and Services was appointed Acting Managing Director of the Authority on 4 April 2011.

Administration

From 1 July, 2010 to May, 2011, the former Government Chief Information Office provided administrative support to the Telco Authority. From 13 May, 2011, the Telco Authority, incorporating the former Government Radio group that is responsible for operations and maintenance of the shared Government Radio Network, was established as a separate business unit within the Department of Finance and Services. With the establishment of the Board and appropriate governance arrangements the Telco Authority will be transitioned to a standalone related entity of the Department.

Report on operations

Vesting of assets and audit of infrastructure

The Act provides for the Authority to vest telecommunications assets from other government agencies. The Authority is currently undertaking an audit of all government radio related assets in conjunction with stakeholders. To date no assets have been vested in the Authority.

Telco has been funded to commence the audit of radio infrastructure in NSW in order to identify duplication and opportunities for consolidation. The planning phase was completed in the reporting period and the review will be undertaken in 2011/12.

The Authority is the majority shareholder in the Australian Centre for Advanced Computing and Communications (ac3), holding 57 per cent of the shares in the company on behalf of the NSW Government.

P25 digital upgrade

In 2009, Telco Authority commenced a two year \$33.4 million upgrade of the GRN from analogue technology to the open standard P25 digital system. The majority of the work was completed by February 2011, with all user terminals operating on the P25 network. Only the primary Network Operations Control Centre remains to be refurbished.

Reallocation of 400MHz spectrum

In 2010, the Federal Government spectrum regulator, the Australian Communications and Media Authority (ACMA) announced changes to the 400MHz radio frequency band. Telco received federal funding to replan the band and, in the reporting year, commenced a project to develop a national band plan for government spectrum in the 400 MHz band.

Emergency operations

Telco is called upon to coordinate responses to communications issues in emergency operations. During the reporting year, the following operations required significant communications support.

- September, 2010 - South Coast NSW – flooding – 8,000 subscriber services affected
- October, 2010 - Coppabella Creek – flooding – 74,000 subscriber services affected; radio service affected
- March, 2011 – Mullet Creek, South Coast NSW – 40,000 subscriber services affected

- June, 2011 – Mid North Coast – power outage – no services to Bellbrook, a town of 250 people
- Telco has also assisted in the provision of communications to Disaster Recovery Centres, including Grafton, Taree and Kempsey in January 2011.

Australian Centre for Advanced Computing and Telecommunications Pty Ltd (ac3)

The mission of Australian Centre for Advanced Computing and Communications (ac3) is to provide managed information technology services for the information and communications technology (ICT) needs of NSW government agencies and commercial organisations.

The function of ac3 is to provide:

- secure data centre facilities, located at the Australian Technology Park in Eveleigh, and at Global Switch in Ultimo
- competitive services for use by commercial clients, including government agencies, for the hosting and management of computing and network equipment
- high-speed communications to the Internet and access to the NSW Government's Private Network
- infrastructure as a service to NSW Government agencies.

Its aims and objectives are to:

- become the preferred provider for companies and government agencies requiring professional management of computing servers and networks
- operate profitably on commercially generated revenues.

Structure of ac3

Ac3 was registered as a proprietary company limited by shares under the *Corporations Act 2001* 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.

ac3 Directors' Report

Review of operations

2010/11 saw the company record another profit. Total income was \$17 million, an increase of approximately \$5.6 million over 2009/10.

The NSW Government continues to be the company's largest client, representing 80 per cent of revenue. Contractual arrangements are in place with 46 entities. Private sector revenue was \$3.4 million from 48 clients, representing 20 per cent of turnover.

The number of staff employed at 30 June 2011 was 40, around the same as at the beginning of the financial year. Staff costs represent our biggest single expense at \$5 million, or 39 per cent of all expenses.

Future developments and results

At the date of this report, there are no future developments that the directors are aware of that could affect the future operations of the company.

Significant events after balance date

There were no significant events occurring after balance date.

Meetings of directors

The following table sets out the numbers of meetings of the company's directors held during the year ended 30 June 2011, and the number of meetings attended by each director.

	A	B	C	D
Neville Robert Stevens (Chair)	4	4	6	6
Professor Masud Behnia	4	4		
Ms Rachel Frances Dixon	4	3	6	5
Mr Emmanuel Rodriguez	1	1		
Mr Colin Griffith	3	3		
Mr Christopher Edwin Howells	4	4	6	6
Professor Timothy Robert Marchant	4	2		
Professor Elizabeth Agnes More	4	3		
Mr Robert Charles Wheeler	4	4		

A: Directors meetings held whilst a director

B: Directors meetings attended

C: Audit and Finance meetings held whilst a director

D: Audit and Finance meetings attended

Report of the Valuer General

The Valuer General, Philip Western is an independent statutory officer appointed by the Governor of NSW to oversee the valuation system. The Valuer General sets the standards for the provision of a world class valuation system. The Valuer General is responsible for:

- the provision of fair, accurate and consistent land values for rating and taxing purposes
- the determination of compensation following the compulsory acquisition of land under the *Land Acquisition (Just Terms Compensation) Act 1991*
- the provision of specialist valuation and property advice to government.

Vision

The Valuer General is committed to providing a valuation system that meets the needs of our community which includes landowners, members of the public, ratepayers, land tax clients and state and local government.

The Valuer General's vision is to ensure the delivery of valuation services that are customer focused, delivering valuations that are fair, consistent, timely and provide value for money.

Outcomes

- Accurate and consistent land values.
- A quality, cost effective valuation process.
- An open and transparent valuation system.
- Our focus remains on continuous improvement.
- A quality valuation service measured through recognised quality standards and international benchmarks.
- Working relationships founded on regular consultation and open communication with our stakeholders.
- Improved communication with all stakeholders including members of the public.
- The provision of professional leadership and stewardship to the valuation industry by the Valuer General.

Valuations

There are approximately 2.4 million land valuations produced annually in NSW. The Valuer General provides land values to local councils for rating and the Office of State Revenue for managing land tax, as well as a number of other government agencies. Land value reflects the market value of the land as at 1 July in the year of valuation and is based on the land being vacant. Most land in NSW is valued using the mass valuation approach, where properties are valued in groups called components. The properties in each component are similar or are expected to reflect changes in value in a similar way. Each valuation is recorded in the Register of Land Values.

Valuation system

The Land and Property Information division of the Department of Finance and Services manages the valuation system on behalf of the Valuer General. The division provides a range of valuation services including the management of customer service and provision of information to stakeholders, management of valuation contracts, the provision of information to contract valuers, the objection review process as well as auditing and ensuring the quality of land values and the day to day management of valuations completed under the *Land Acquisition (Just Terms Compensation) Act 1991*.

Land and Property Information's services to the Valuer General are formalised through a service level agreement which is reviewed annually.

Governance

The Valuer General reports administratively to the Minister for Finance and Services and the Director-General, Department of Finance and Services. The Office of the Valuer General is comprised of the Valuer General and five permanent staff.

Parliamentary Committee

The Parliamentary Committee on the Office of the Valuer General monitors and reviews the exercise of the Valuer General's functions with respect to land valuations. The Committee on the Office of the Valuer General was first established in the 53rd Parliament in July 2003 as a Joint Statutory Committee.

The Committee was re-established in the 55th Parliament on 22 June 2011. The Committee comprises five members including two members of the Legislative Council and three members of the Legislative Assembly. During 2010, the Committee conducted an inquiry into the provisions of the *Valuation of Land Act 1916*. The purpose of the inquiry was to seek the views of stakeholders on the

efficiency and effectiveness of the existing provisions of the Act and to identify issues for consideration as part of the review of the Act proposed by the Valuer General. The report was tabled on 2 December 2010. The report made a number of recommendations concerning the review of the *Valuation of Land Act 1916*.

From the evidence presented, some key stakeholders believed that the Act is operating efficiently and effectively but others identified areas that they considered needed to be reviewed.

Land Valuation Advisory Group

The Land Valuation Advisory Group was established as a result of the recommendations of the *Report of Inquiry into Operation of the Valuation of Land Act*, October 1999 (the Walton Report). The group comprises senior representatives of the property industry and stakeholders. The terms of reference for the group have been reviewed to recognise the group's significant role in communication between industry groups, stakeholders and the Valuer General. The group continues to monitor the quality of land values in addition to providing a channel for communication between the Valuer General and property industry stakeholders. The group met four times during the year. Principal matters for consideration were:

- review and adoption of new terms of reference
- an ongoing parallel valuation project
- alternate valuation methodologies
- use of specialist valuers for unique properties
- an independent overview of the quality of valuation outcomes.

Report on performance

Communication

The Valuer General has implemented a communication strategy that is open, transparent and informative. Feedback and discussion from stakeholders is actively sought.

Recent feedback from stakeholders has resulted in the development of an additional newsletter for landowners who have received new land values for rating purposes. The newsletter focuses on the Notices of Valuation and opportunity for land value review, land values and council rates and changes in the property market since the last valuation for rating. The first edition of this newsletter will be available from 1 July 2011.

Customer service

The Valuer General continues to focus on improving service to landowners and other stakeholders. Ongoing internal monitoring of performance continues to show improvements in customer service including responding to customer enquiries and reducing objection processing times.

An independent survey has been conducted to benchmark customer satisfaction with the handling of objections. The survey investigated independence, transparency, objectivity, accessibility and professionalism. It also assessed the clarity and helpfulness of the information provided in the Your Land Value Review Guide, the General Valuation Sales Report (GVSR), the interaction with the valuer and the objection decision letter and report.

The majority of survey participants were happy with the objection process and service provided throughout the land value review. As a result of the survey further investigation is occurring on how valuers are responding to enquiries and improving the overall quality of the GVSR. In addition the availability of further information to landowners to assist in understanding their land value is being examined.

A project to improve the ease of use and availability of information for the online objection facility has been completed. The new features include a user friendly interface featuring linked web pages that guide the user through the objection lodgement process, automatic help balloons and more immediate validation of landowner data.

The land value search for individual strata units has been enhanced to include the land value for the whole site of the strata scheme, unit entitlement and an explanation on how the proportional land value is determined.

Land Value Verification Project

The Land Value Verification Project was implemented on 1 May 2006 as part of the drive to enhance the quality of land values. The project was completed in April 2011. Over the five year period of the project the land values and attributable data for all properties in NSW was individually reviewed. The project provided enhanced valuation outcomes and improvement to the valuation basis as indicated through reduced objection numbers and the overall improvement in the quality of land values as shown through statistical analysis.

The Land Value Verification Project is being continued for another five year period, from April 2011-2016. The ongoing verification project will ensure the continued improvement in the quality of land values.

Research and innovation

Aligned with the commitment to improve the NSW valuation system, the Valuer General has commissioned Associate Professor John Macfarlane from the University of Western Sydney to provide independent and impartial advice on improving the quality of land values for rating and taxing purposes in NSW. Work undertaken in the past 12 months has included analysis of 1 July 2010 land values and objection outcomes, research and development of an automated valuation model and independent analysis of the overall quality of land values through statistical measures.

Commonwealth Heads of Valuation Agencies Conference

The NSW's valuation system is recognised as a leading jurisdiction in mass valuation and customer service. The Valuer General has accepted the invitation to host the Commonwealth Heads of Valuation Agencies Conference (CHOVA). The conference will be held in Sydney, 18-21 March 2012 (CHOVA 2012). The conference will focus on innovation, technology, customer service, challenges of the future and provide the opportunity to showcase the NSW valuation system.

Legislation

The *Valuation of Land Act 1916* was not amended during the past 12 month period, however a major review will commence in 2011.

Fees for valuation services

A review for the pricing of valuation services to users outside local government and the Office of State Revenue is underway. Land and Property Information manage the valuation system on behalf of the Valuer General. All financial and other information required by NSW Treasury is reported by Land and Property Information.

KEY PERFORMANCE INDICATORS	2006/07	2007/08	2008/09	2009/10	2010/11	Target
Total valuations issued for rating and taxing purposes	1,508,534	1,456,741	1,506,235	1,638,793	1,578,466	-
Total valuations on Register of Land Values at 30 June	2,389,193	2,403,557	2,416,581	2,428,915	2,441,947	-
Customer Service						
% of calls resolved on first contact	88%	88%	88%	88%	90%	85%

KEY PERFORMANCE INDICATORS	2006/07	2007/08	2008/09	2009/10	2010/11	Target
% of calls responded to within 3 days	33%	40%	71%	73%	72%	85%
Ratepayers						
% Notices of Valuation issued within 31 days	98.20%	89.70%	96.50%	71% ²	95%	95%
% Notices of Valuation for general valuation issued to property owners within agreed SLA timeframe	100%	100%	100%	100%	100%	100%
Councils						
% general valuations land values issued to relevant councils within agreed SLA timeframe	100%	100%	100%	100%	100%	100%
% supplementary valuations to council within 31 days	96.40%	95.40%	99.90%	100%	100%	100%
Office of State Revenue						
% objections to land values for land tax completed within 90 days	23% ³	20% ³	44% ³	59%	86%	30%
% objections to land values for land tax completed within 180 days	64% ³	81% ³	94% ³	98%	98%	75%
% objections to land values for land tax, where land value is greater than \$1M, within 120 days	29% ³	29% ³	74% ³	78%	93%	95%
% new land values issued to all property in NSW to Office of State Revenue by 16 Nov	100%	100%	100%	100%	100%	100%
Supplementary valuations						
Total supplementary valuations issued	40,350	52,150 ⁴	38,775	36,659	39,465	
Average days to complete	85 days	71 days	65 days	47 days	39 days	<65 days
Statistical quality measures for land values						
% council areas meeting all standards – Residential ¹	41	76.7	75	81	91.5	-
% council areas meeting all standards - Business/Industrial ¹	30.6	42.3	62.8	70.5	74.8	-
% council areas meeting all standards – Rural ¹	35.2	37.1	54.8	49.2	69.4	-
Objections						
Number of objections received for all valuing years	11,133	6,660	6,885	7,092	4,899	-
Number of objections received as a % of valuations issued	0.74%	0.45%	0.46%	0.43%	0.31%	-
% objections to land values completed within 90 days	24% ³	21% ³	44% ³	63%	86%	65%
% objections to land values completed within 120 days	37% ³	47% ³	70% ³	80%	97%	80%
% objections to land values completed within 180 days	68% ³	81% ³	94% ³	98%	99%	95%
Average number of days to complete objections	168 days ³	138 days ³	103 days ³	83 days	61 days	<90 days

Note1: New record.

Note 2: Issue of supplementary valuations was suspended during the issue of the general valuation

Note 3: New basis for counting objections – counting commences from when an objection is accepted as valid

Note 4: Includes changed verified values.

Report of the Surveyor General – 2010/11

The Land Property Information division of the Department of Finance and Services has continued to support the statutory spatial information and industry leadership functions of the NSW Surveyor General over the past year.

The Surveyor General's statutory functions cover survey and positioning infrastructure; geographic naming and maintaining the integrity of the state cadastre. In terms of these functions, the division has delivered on behalf of the Surveyor General the following:

- continued rollout of the Continuously Operating Reference Station Network (CORSnet NSW) to 63 operating stations providing basic (DGPS) services to 80 per cent of the state with 30 per cent coverage for high-precision (two centimetres) positioning services
- a new fully integrated online Survey Control Information Management System (SCIMS) to over 2000 users, incorporating a much faster and more user friendly interface
- achieved 99% completion of the Address Locality Boundary determination program fundamental for addressing and delivery of services
- created the Murray Chapman Award for indigenous place naming research in NSW. Murray Chapman was a champion for indigenous place names on the Geographical Names Board
- undertaken all of the necessary consultation for the statutory remake of the *Surveying and Spatial Information Regulation 2006*.

During the flood disasters that affected NSW in December 2010 and January 2011 the Land and Property Information division played a key role in helping to monitor and record flood levels at various locations across the state. The Division's Aerial Survey unit carried out extensive work to support the flood management needs of State Emergency Services and other organisations. All the captured imagery was made available on the Spatial information Exchange portal (SIX), via the Emergency Recovery Channel.

The Common Spatial Information Initiative (CS2i) has continued to support the policies and strategic direction of the NSW Spatial Council through a number of strategic projects. Achievements in this area include:

- coordinating and providing Governance arrangements for successful whole of Government funding bid resulting in a Commonwealth grant of \$0.8 million to improve the NSW Hydrological Geospatial Fabric.
- developing an agreed NSW Address Vision across multiple stakeholders guiding the development of the Comprehensive Property Address System (CPAS).
- establishing the NSW Spatial Data catalogue enabling users to easily search and discover spatial information over their area of interest.
- establishment of a NSW whole of Government Imagery procurement arrangement, providing savings to participating agencies.

Des Mooney
Surveyor General

Report of the Registrar General – 2010/11

The Registrar General is responsible for maintaining the NSW land title system. Around 3.7 million land titles are recorded in the Integrated Titling System, which currently protects an estimated \$1.2 trillion worth of real estate and \$280 billion in other property interests such as mortgages. Land title registration confers a guarantee by the State Government providing certainty and security of ownership for NSW landowners.

Land title registration services are carried out by Land and Property Information division of the Department of Finance and Services on behalf of the Registrar General. These services include registration of plans and property transactions, issue of certificates of title and conversion of old system land to Torrens title.

Continuing uncertainty in the property market resulted in a decrease in the volume of property transactions lodged for registration during the year. In 2010/11 the lowest volume of documents were lodged since 1995/96. While there was a slight increase in the number of new subdivision plans lodged, there was also a slight decline in the number of strata plans lodged for registration from an already low base. This meant that only 37,623 new titles were created: 23,119 from deposited plans and 14,504 from strata plans.

Part of the Registrar General's role involves ensuring that the legislative framework supporting the land titles system remains responsive to community needs. During the year important amendments were made to the *Real Property Regulation 2008*, strengthening requirements for verification of the identity of parties to property transactions by mortgagees and witnesses.

While the current focus of effort of Registrars General in all Australian jurisdictions is the implementation of a national electronic conveyancing system, work is also currently under way on other national initiatives. The Registrar General is working with the Commonwealth to transfer records maintained under the *NSW Security Interests in Goods Act 2005* to a national Personal Property Securities Register, scheduled for implementation in October 2011. The Land and Property Information division, on behalf of the Registrar General, is also participating in work with the NSW Office of Water, State Water and the Commonwealth Department of Environment, Water, Heritage and the Arts to progress the development of a National Water Market System that may encompass the Water Access Licence Register managed by the division on behalf of the NSW Office of Water.

Des Mooney
Registrar General

Geographical Names Board

The Geographical Names Board was established in 1966 to standardise place names within NSW. The Board achieves this standardisation through the application of policies aimed at reducing confusion by minimising duplication, confirming the position and extent of places and ensuring consistency in regard to a name's orthography and pronunciation.

The Board also ensures that the State's place names comply with published guidelines on propriety so as to minimise offensive, incongruous and/or blatantly commercial names in the State's nomenclature. This emphasis on propriety reflects the Board's views that place names are owned by the community and, as such, should reflect the community's principles and values. As this is the case, place names with Aboriginal significance or that reflect NSW's cultural diversity are preferred.

Place names commemorating everyday Australians who accomplish extraordinary achievements are also strongly encouraged by the Board. These achievements need not be widely known or recognised but should be deemed important to the local community in which the place is located.

Community acceptance to new place names is essential if they are to be used by the community. The Board works closely with local Councils when establishing such names and consults broadly with the local community before these names are formally adopted.

Key achievements

Recognising that consistent street address information is a requirement for efficient response by emergency services and over half of all government business is transacted through, or relies on, addresses. The Board has gazetted 107 changes to suburb and locality names and boundaries and overseen over 1500 proposals to name or rename public roads in NSW.

There have been over 45 names assigned that recognise outstanding achievement in the community by commemoratively naming relevant geographical features. These names recognise acts of bravery, community service and exceptional accomplishment by both individuals and groups.

The Board is committed to recognising the State's Aboriginal culture through place naming. Seven new place names of Aboriginal origin were formalised in the reporting year. These names commemorated Aboriginal people; reinstated Aboriginal place names or were created using Aboriginal words.

Aims and objectives

The Board's vision is to be recognised by communities as the authoritative body for location based naming in NSW. To achieve this vision the Board has developed a strategic plan which includes the following objectives:

- To improve data quality to meet the needs of the community, partners and customers.
- To ensure that appropriate communications are in place to raise the awareness of the Board and its functions.
- To establish an appropriate framework to support the Board and achieve its outcomes.
- To maximise the use of technology as an enabler to support the strategic directions of the Board.

Report on operations

Street addressing in NSW

The NSW road and address locality naming process forms an important part of our state's heritage by ensuring that names appropriately reflect an area's character. When new urban or rural developments need to be named or an existing area outgrows its current name, it is the Board's responsibility to determine those names.

Road and address locality names are important navigation tools; not only for residents but for councils, emergency services and mapping services. These names reduce confusion, lower the incidents of duplication and ensure appropriate names are made official.

The Board has formalised over 130 address locality names and processed over 1300 road naming proposals in the reporting year leading to greater certainty and integrity for many thousands of addresses in NSW.

Performance figures

The following table gives a breakdown designations of the place names formalised in the reporting year in comparison to previous years.

Designation	2008/09	2009/10	2010/11
Address locality names and boundaries	160	107	132
Road names	2,441	1,576	1,348

Designation	2008/09	2009/10	2010/11
Dual names	0	0	0
Other place names	158	117	321

Governance

As set out in the *Geographical Names Act 1966*, the Board has the following powers and functions:

- assign names to places
- approve that a recorded name of a place shall be its geographical name
- alter a recorded name or a geographical name
- determine whether the use of a recorded name or a geographical name shall be discontinued
- adopt rules of orthography, nomenclature and pronunciation with respect to geographical names
- investigate and determine the form, spelling, meaning, pronunciation, origin and history of any geographical name
- the application of any geographical name with regard to position, extent or otherwise
- compile and maintain a vocabulary of Aboriginal words used or suitable for use in geographical names and to record their meaning and tribal origin
- compile and maintain a dictionary of geographical names with a record of their form, spelling, meaning, pronunciation, origin and history
- publish a gazetteer of geographical names
- inquire into and make recommendations on any matters relating to the names of places referred to it by the Minister
- may compile, maintain and publish a list of road names.

The Board proactively seeks to abide by these statutory provisions through the adoption of nomenclature policies and procedures which are both nationally and internationally recognised.

Board members

Members are appointed to the Board in accordance with the provisions set out in Section 3 of the *Geographical Names Act 1966*. The Act allows for a total of nine members, four of whom hold the office of, or are a respective nominee of, the Surveyor General of NSW, the Director-General, Department of Planning, the State Librarian and an officer nominated by the Surveyor General.

The remaining five positions are nominated by:

- the governing bodies of the Local Government Association of NSW and the Shires Association of NSW (joint nomination)
- the governing body of the Royal Australian Historical Society
- the governing body of the Geographical Society of NSW
- the NSW Aboriginal Land Council
- the Chairperson of the Community Relations Commission.

Board members and attendance

Members of the Board	Board meetings (5 meetings)
Mr Warwick Watkins AM AMP:ISMP (Harv), MNatRes, DipScAgr, HDA (Hons) Surveyor General of NSW Ex-officio position.	4 (Chair)
Mr Paul Harcombe BSurv (UNSW), MGeom (Melb) Nominee of Chief Executive, Land and Property Management Authority.	4
Mr Richard Neville Nominee of the State Librarian Appointed March 2009, term expires December 2011.	4
Mr Alan Ventress BA, DipLib Nominee of the Royal Australian Historical Society. Reappointed December 2006, term expires December 2011.	5 (Note 1)
Cr Tracey Carpenter BA, MA Nominee of the Local Government and Shires Association of NSW. Appointed September 2009, term expires December 2011.	2
Dr John Emery BA, MA, PhD, DipEd, DipT&CP Nominee of the Geographical Society of NSW. Appointed December 2006, term expires December 2011.	5
Mrs Beverley Manton Nominee of NSW Aboriginal Land Council. Appointed 26 November 2008, term expires 12 December 2011.	0
Ms Wajihah Ahmed BA, LL.B, Grad Legal Prac, Dip Law Nominee of the Community Relations Commissioner. Appointed December 2006, term expires December 2011.	3
Ms Patricia Hale BA(Hons), MA Nominee of the Department of Planning. Appointed September 2009, term expires December 2011.	3
Counsellors (Note 2)	
Dr Peter Orlovich Historical Advisor	5
Dr Jakelin Troy Linguistic Advisor	3
Mr Gerard Herbert Addressing Advisor	4
Darren Leong Australia Post Addressing Advisor	1

Note 1: Includes attendance of Ms Lesley Muir to five meetings who was appointed as a deputy per Section 3, Part 12 b of the *Geographical Names Act 1966*;

Note 2: In accordance with the provision of the *Geographical Names Act 1966* the Board may appoint counsellors to advise it on matters within its powers and functions. The Board has appointed three counsellors to advise it on issues such as linguistics, history and addressing.

Board meetings

The Board met formally on five occasions during the year. Five members form a quorum. The Surveyor General of NSW in his position as Chair has a deliberative vote and casting vote.

Board committees

The Board's Secretary is a member on both Placenames Australia Inc. and the Committee for Geographical Names of Australasia (CGNA).

Placenames Australia is a voluntary non-profit association incorporated in NSW. The object of the association is to ensure that the Australian National Placenames Survey (the Survey) is implemented. The aim of the Survey is to prepare a national database of geographical names which documents their pronunciation, generic class, status (gazetted, obsolete, non-gazetted, sensitive, disputed etc.), origin, meaning, history, cultural significance (of both name and site), and map reference and location. The database will be made accessible for public enquiry via the internet and will be available to enable the production of place name dictionaries, both local and national.

CGNA coordinates place-naming activities across Australia and New Zealand. Membership comprises Australian State and Territory Boards and committees, New Zealand and other organisations with a role and interest in place naming. In compliance with United Nation directives CGNA publishes a gazetteer which records the legal status and position of all geographical names within Australia. NSW placenames for this product are supplied by the Board.

Administration

Section 4 of the *Geographical Names Act 1966* makes provision for a secretary and other officers to administer the affairs of the Board. To carry out this function the Land and Property Information division employs a secretariat which consists of four staff members. Land and Property Information also provides further administrative and technical support to assist the Board in its day-to-day operations.

Future focus

The Board continued to review its performance and plans for the future in accordance with its three year strategic plan which was developed in September 2010. This plan sets out strategies and actions which are required to be carried out to ensure the Board's effectiveness and relevance to the people of NSW.

Waste Assets Management Corporation



The Hon Greg Pearce MLC
Minister for Finance and Services
Minister for the Illawarra
Level 36
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Mr Mike Baird, MP
Treasurer
Level 36
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Ministers

I am pleased to submit the annual report for the Waste Assets Management Corporation for the year ended 30 June 2011 for presentation to Parliament. This report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and the regulations under those Acts.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Phil Carbins'.

Phil Carbins
Chief Executive
Waste Assets Management Corporation

Waste Assets Management Corporation

The Waste Assets Management Corporation (WAMC) is a statutory corporation created under section 16 of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010* which commenced on 23 March 2010. Section 16(3) of the Act provides that WAMC has the following functions:

- to hold, on behalf of the Crown, WSN Environmental Solutions (WSN) assets acquired by it or transferred to it by or under the Act and to conduct businesses, provide services and carry on activities that relate to or are incidental to the management of any WSN assets held by it
- to undertake, on behalf of the Crown, the development for any purpose for the benefit of the State of any land comprising WSN assets held by it
- such other functions in connection with WSN assets held by it as may be prescribed by the regulations
- such other functions as may be conferred or imposed on the Corporation by or under the Act or any other legislation.

Since 3 April 2011, as a consequence of the *Public Sector Employment and Management (Waste Assets Management Corporation) Order 2011*, the Corporation has been subject to the control and direction of the Minister for Finance and Services (Section 16 (2)).

Under clause 6 of Schedule 5 of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010* the Treasurer has designated that WAMC's annual report be included in the annual report of the Department of Finance and Services.

Operations

As part of the sale of the Waste Recycling and Processing Corporation trading as WSN Environmental Solutions (WSN) to the private sector (SITA Environmental Solutions), various existing assets, rights and liabilities of the former WSN were vested in WAMC effective from 31 January 2011. Under those arrangements, WAMC took ownership of certain of WSN's landfills and other sites, plant and equipment located at those sites, and, in some cases, contractual obligations and liabilities associated with those sites.

WAMC operates in accordance with the following objectives:

- maximise efficiency of land filling operations and other commercial activities
- maintain strong, stable and transparent relationships with stakeholders
- adopt a commercial approach to financial and operational arrangements
- ensure sound environmental practices and improved environmental outcomes are achieved at its sites.

The sites transferred to WAMC are landfills, which are either closed or near to closure, have the potential for significant environmental issues, or are committed to future public use.

WAMC provides specialised operational management in the following areas:

- operating and then managing the post-closure rehabilitation and future maintenance of two open landfill sites at Belrose and Eastern Creek 2
- managing the rehabilitation and future maintenance of seven closed landfill sites at Thornleigh, Merrylands, Grange Avenue, Eastern Creek 1, Castlereagh, Harrington Quarry and Lucas Heights 1
- monitoring and managing facilities for the treatment of leachate at both the open and closed landfill sites

- managing joint venture landfill gas and energy systems to supply electricity into the grid as a sustainable and renewable energy source.

WAMC received 262,000 tonnes of solid waste materials at its operating landfills during the reporting period, which was 43 per cent above the forecast volume of 185,000 tonnes.

Administration

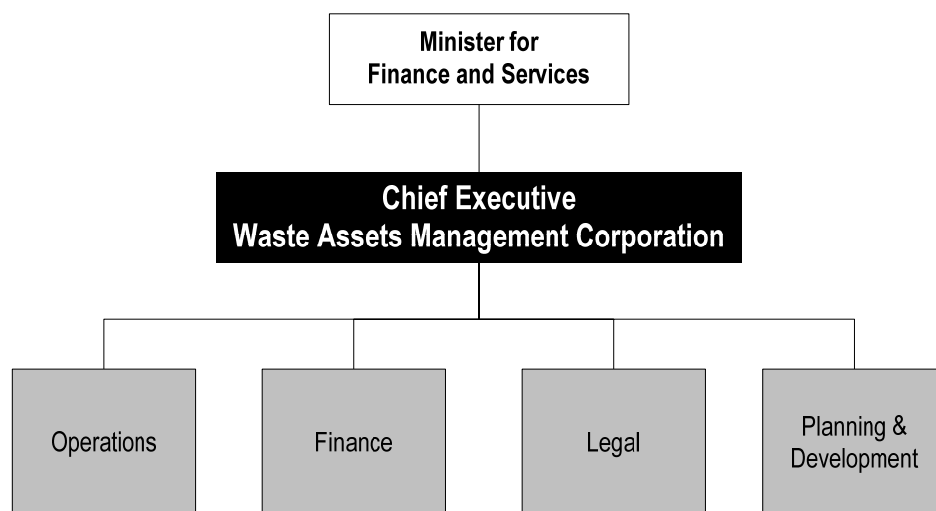
The Department of Finance and Services provides administrative support to WAMC. This support includes annual reporting requirements in relation to human resources, finance and risk management which are covered by the Department of Finance and Services' report.

In 2010/11, WAMC did not receive any applications under the *Government Information (Public Access) Act 2009* or the *Privacy and Personal Information Protection Act 1998*.

At present 39 Department of Finance and Services staff are allocated to WAMC including personnel with expertise in landfill, technical, environmental, planning, construction, financial and contract management.

Key personnel include: Chief Executive, General Manager Operations, Finance Manager, Legal Advisor, Planning and Development Manager, Technical Manager, Environment & OHS Manager and Landfill Manager.

Organisation chart



Waste Assets Management Corporation
30 June 2011

WAMC staff numbers (full time equivalent)

	At 30 June 2011 ¹	Comments
Clerical Officer	3	<i>WSN Salaried Employees Enterprise Agreement 2010</i>
Legal Officer	1	<i>WSN Salaried Employees Enterprise Agreement 2010</i>
Professional	2	<i>Finance</i> <i>WSN Salaried Employees Enterprise Agreement 2010</i>
Senior Executive Service	1	SES 4 (Male)
Senior Officer	1	<i>WSN Salaried Employees Enterprise Agreement 2010</i>
Technical	12	<i>WSN Salaried Employees Enterprise Agreement 2010</i>

	At 30 June 2011 ¹	Comments
Wages	19	<i>WSN Environmental Solutions and TWU (Operations) Agreement 2010</i>
Total	39	

Note 1: Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).

Financial management

WAMC operates via a cash neutral cost recovery model and is not intended to make material profits nor return dividends to the Government. WAMC's sources of revenue are through its operational landfill activities and gas to energy sales. Rehabilitation of closed landfills is funded through the WAMC Landfill Rehabilitation Fund, as established under section 7 of the Act. At 30 June 2011 the Fund had a balance sufficient to meet the total estimated future rehabilitation requirements for the landfill sites.

WAMC financial statements for 2010/11 are included in the Financial Statements section of the Department of Finance and Services annual report.

Environment and safety

WAMC holds third party certifications for compliance with ISO 14001:2004 (Environment) and AS/NZS 4801:2001 (Occupational Health and Safety) management systems. This accreditation supports WAMC's objective of ensuring sound environmental practices and improved environmental outcomes for the business and the community.

Renewable energy

WAMC's landfill sites generated 35,000 megawatts of renewable energy by capturing landfill gas emissions and converting the methane into green electricity resulting in the avoidance of 164kt CO₂-e of greenhouse gases being emitted into the atmosphere.

Risk management

Internal Audit and Risk Management Attestation for the 2010-2011 Financial Year for the Waste Assets Management Corporation

I, Phil Carbins, Chief Executive, of the Waste Assets Management Corporation am of the opinion that the Corporation has internal audit and risk management processes in place that are, in all material aspects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

From 31 January until 3 April 2011, the Corporation was subject to oversight by the Land and Property Management Authority (LPMA) Audit and Risk Committee.

The Chair and Members of the LPMA Audit and Risk Committee were:

- Mr Jim Mitchell: Independent chair (term of appointment is 4 years)
- Mr Bruce Clarke: Independent member (term of appointment is 4 years)
- Mr Ron Cunningham: Independent member (term of appointment is 4 years)
- Mr Des Mooney: Non-independent member (term of appointment is 4 years)
- Mr Philip Western: Non-independent member (term of appointment is 4 years)

For the period 4 April 2011 until 30 June 2011, the Corporation has been subject to oversight by the Department of Finance and Services (DFS) Audit and Risk Committee.

I, Phil Carbins, Chief Executive, of the Waste Assets Management Corporation am of the opinion that the DFS Audit and Risk Committee is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Mr Peter Whitehead, Independent Chair (period of appointment from 1 September 2009 to 31 August 2012)
- Ms Carolyn Burlew, Independent Member (period of appointment from 1 September 2009 to 31 August 2011)
- Dr Gul Izmir, Independent Member (period of appointment from 8 October 2009 to 7 October 2011)
- Ms Anne Skewes, Non-independent member (period of appointment from 24 March 2010 to 23 March 2013)
- Mr Michael Silk, Non-independent member (period of appointment from 24 March 2010 to 23 March 2013)

These processes provide a level of assurance that enables senior management of the Corporation to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with the policy to Treasury.



Phil Carbins

Chief Executive

Waste Assets Management Corporation

External audit

During 2010/11, the Audit Office of NSW audited the financial statements of the Corporation.

The Audit Office issued the statutory audit report on 25 October 2011 for the Corporation for the 2010/11 financial year. The following significant matter was identified:

- **Completeness of Revenue:** The audit report noted that whilst the Corporation invoices a private entity based on data it receives from that entity, it does not have appropriate internal control procedures to ensure the completeness of the data provided. As a result, there is a heightened risk that its waste charges revenue and associated waste levy payments to the government may be incomplete.

The Corporations response to the above audit observation is as follows:

- The Corporation will review its contractual arrangements with the private entity and implement revised internal control procedures, in order to gain assurance over the completeness of the data it receives.

The Auditor-General's 2010/11 Audit Report to Parliament is expected to be tabled in November 2011.

Contact

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E-mail: phil.carbins@wamc.nsw.gov.au
Business hours: 8.30 am to 5.00 pm

Other annual reporting requirements (Fair Trading)

Provisions within the *Community Land Management Act 1989*, *Strata Schemes Management Act 1996* and the *Residential Tenancies Act 1987* require the Director-General of the Department of Finance and Services to prepare a report to Parliament on the respective operations of the Director-General under these Acts. The Director-General's actions or activities relating to these Acts are not conducted in isolation, but are fully integrated across all the operations of NSW Fair Trading. The annual reporting obligations for both Acts is therefore discharged by the inclusion of the following information in this Annual Report in accordance with Section 6 (Inclusion of other reports in annual reports) of the *Annual Reports (Departments) Act 1985*.

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 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 Director-General by the Minister for Fair Trading.

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 1996*.

Legal action taken

	2006/07	2007/08	2008/09	2009/10	2010/11
Community land management prosecutions	0	0	0	0	0
Community land management penalty notices	1	0	0	0	0
Community land management civil litigation	0	0	0	0	0

Community Land Management information

Community land management information was available through the Fair Trading website at: http://www.fairtrading.nsw.gov.au/Tenants_and_home_owners/Community_and_neighbourhood_schemes.html. Fair Trading 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.

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 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 Director-General by the Minister for Fair Trading.

Resolving complaints and disputes

	2006/07	2007/08	2008/09	2009/10	2010/11
Strata scheme enquiries	32,464	33,955	33,766	36,865	39,273
Strata scheme dispute mediations	1,194	1,380	1,226	1,284	1,396

Legal action taken

	2006/07	2007/08	0208/09	2009/10	2010/11
Strata scheme prosecutions	0	0	0	0	0
Strata scheme penalty notices	0	0	0	0	0
Strata scheme civil litigation	5	0	0	0	0

Mediation

Mediation is a successful way for parties to settle strata and community scheme disputes. People can resolve their disputes without the need for formal adjudication and many side issues are resolved along with the main dispute. During 2010/11, 487 applications did not proceed as at least one party did not agree to mediation. 278 cases were successfully managed prior to mediation. Of the remaining 631 applications, 67 per cent were successfully mediated.

Strata schemes information

A range of strata schemes information was also available through the Fair Trading website at: http://www.fairtrading.nsw.gov.au/Tenants_and_home_owners/Strata_schemes.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:

- Buying into a strata scheme
- Buying off the plan
- Strata and community disputes
- Strata and community mediation
- Strata living
- Sinking funds in a strata scheme
- Strata retirement villages

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 (Director-General) 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 Director-General by the Minister for Fair Trading, as well as providing assistance to agencies and individuals who provide tenancy advice and information and carry out research into relationships between tenants and landlords.

The Act was repealed on 31 January 2011. Consequently, the provisions in the Act which required inclusion of the information into the Department of Finance and Services' Annual Report do not apply from that date. The information below is for the period 1 July 2010 to 30 January 2011 only.

Resolving complaints and disputes

	2006/07	2007/08	2008/09	2009/10	2010/11
Tenancy enquiries	117,200	121,250	112,504	106,703	62,262

Note: Tenancy disputes are determined in the independent Consumer, Trader & Tenancy Tribunal

Legal action taken

	2006/07	2007/08	2008/09	2009/10	2010/11
Residential Tenancies Act prosecutions	0	0	0	0	0
Residential Tenancies Act penalty notices	0	0	0	0	0
Residential Tenancies Act civil litigations	0	0	0	0	0

Residential tenancy information

Residential tenancy information was available for tenants and landlords through the Fair Trading website at: http://www.fairtrading.nsw.gov.au/Tenants_and_home_owners.html.

Fair Trading also provided the following publications for tenants and landlords:

- The Renting Guide (29 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

In 2010/11, 23 community organisations funded under the Tenants' Advice and Advocacy Program (TAAP) provided advice and advocacy assisting 33,024 people. Also, 805 people living in residential parks were provided with advice about their rights and responsibilities by TAAP services. For further information about the Tenants' Advice and Advocacy Program see Appendices section on funds granted to non-government community organisations

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GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Department of Finance and Services and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Department of Finance and Services (the Department), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, service group statements and summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information for both the Department and the Department and controlled entities (the consolidated entity). 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.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Department and the consolidated entity, as at 30 June 2011, and of the financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

Director General's Responsibility for the Financial Statements

The Director General is responsible for the preparation and fair presentation of financial statements that give a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act and for such internal controls as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 statements.

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

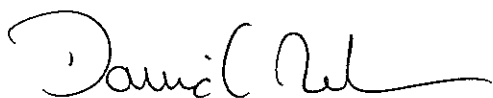
My opinion does *not* provide assurance:

- about the future viability of the Department or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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



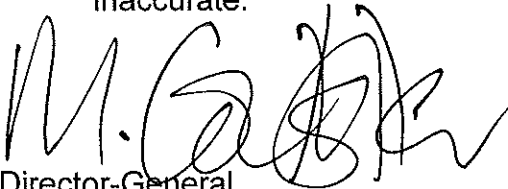
David Nolan
Director, Financial Audit Services

17 October 2011
SYDNEY

DEPARTMENT OF FINANCE AND SERVICES
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011
STATEMENT BY THE DIRECTOR-GENERAL

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 2010* 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 2011;
- (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 Finance and Services

DEPARTMENT OF FINANCE AND SERVICES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Consolidated		Department of Finance and Services		
		Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000
Expenses excluding losses						
Operating Expenses						
Employee related	2(a)	406,669	348,605	401,808	437,334	343,979
Other operating expenses	2(b)	231,352	185,785	223,137	250,170	180,641
Depreciation and amortisation	2(c)	189,448	190,335	187,609	192,652	189,015
Grants and subsidies	2(d)	96,434	13,937	96,434	93,902	13,937
Finance costs	2(e)	34,028	37,481	33,704	38,743	37,255
Book value of motor vehicles sold	2(f)	123,580	127,805	123,580	124,972	127,805
Other expenses	2(g)	5,068	2,995	5,068	11,861	2,995
Total Expenses excluding losses		1,086,579	906,943	1,071,340	1,149,634	895,627
Revenue						
Sale of goods and services	3(a)	649,507	592,778	633,839	680,233	581,424
Investment revenue	3(b)	20,475	14,238	20,346	16,602	14,184
Retained taxes, fees and fines	3(c)	58,245	44,979	58,245	53,085	44,979
Grants and contributions	3(d)	13,997	12,234	13,997	15,029	12,234
Proceeds from sale of motor vehicles	3(e)	152,009	155,553	152,009	135,212	155,553
Other revenue	3(f)	278	235	278	115	235
Total Revenue		894,511	820,017	878,714	900,276	808,609
Gain/(loss) on disposal	4(a)	(7,872)	(1,184)	(7,872)	-	(1,184)
Other gains/(losses)	4(b)	(1,567)	(2,344)	(1,567)	(5,000)	(2,344)
Net Cost of Services		201,507	90,454	202,065	254,358	90,546
Government Contributions						
Recurrent appropriation	5	227,922	75,665	227,922	235,429	75,665
Capital appropriation	5	12,870	2,094	12,870	4,419	2,094
Acceptance by the Crown Entity of employee benefits and other liabilities	6	8,112	7,732	8,112	9,644	7,732
Transfers to NSW Treasury	7	(50,000)	-	(50,000)	-	-
Total Government Contributions		198,904	85,491	198,904	249,492	85,491
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE TAX		(2,603)	(4,963)	(3,161)	(4,866)	(5,055)
Deferred Tax Benefit/(Expense)		96	54	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX		(2,507)	(4,909)	(3,161)	(4,866)	(5,055)
Outside Equity Interest		(281)	(63)	-	-	-
Other comprehensive income						
Superannuation actuarial losses		7,377	(49,136)	7,377	-	(49,136)
Net increase in Asset Revaluation Reserve	15	3,103	-	3,103	-	-
Other comprehensive income for the year		10,480	(49,136)	10,480	-	(49,136)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,692	(54,108)	7,319	(4,866)	(54,191)

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE AND SERVICES

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Notes	Consolidated		Department of Finance and Services		
		Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	10	476,235	467,171	473,773	570,260	465,371
Receivables	11	324,361	292,509	322,746	325,808	291,011
Inventories	12	3,146	6,272	3,146	24,590	6,272
Financial assets at fair value	13	21,510	23,929	21,510	6,413	23,929
Other	14	8,639	4,857	7,750	5,896	4,244
Total Current Assets		833,891	794,738	828,925	932,967	790,827
Non-Current Assets						
Inventories	12	4,466	3,942	4,466	4,904	3,942
Property, plant and equipment	15					
Land and Buildings		109,184	21,429	109,184	106,033	21,429
Plant and Equipment		623,140	610,359	621,898	625,914	609,634
Leasehold Improvements		29,718	23,305	25,629	19,765	19,765
Total property, plant and equipment		762,042	655,093	756,711	751,712	650,828
Intangible assets	16	115,444	53,667	115,444	111,265	53,667
Other Non-Current Assets	14	9,975	711	9,156	2	-
Total Non-Current Assets		891,927	713,413	885,777	867,883	708,437
Total Assets		1,725,818	1,508,151	1,714,702	1,800,850	1,499,264
LIABILITIES						
Current Liabilities						
Payables	17	294,415	349,868	292,795	396,391	348,795
Borrowings	18	214,236	224,173	212,665	212,680	222,857
Provisions	19	158,923	90,573	158,527	174,305	90,277
Other	20	46,956	23,860	46,218	24,378	23,257
Total Current Liabilities		714,530	688,474	710,205	807,754	685,186
Non-Current Liabilities						
Borrowings	18	334,294	320,093	331,635	302,553	317,818
Other	20,21	280,248	128,367	279,249	313,242	127,522
Total Non-Current Liabilities		614,542	448,460	610,884	615,795	445,340
Total Liabilities		1,329,072	1,136,934	1,321,089	1,423,549	1,130,526
Net Assets		396,746	371,217	393,613	377,301	368,738
EQUITY						
Reserves	15	3,103	-	3,103	3,961	-
Accumulated funds		395,791	373,646	390,510	373,340	368,738
Outside equity interest		(2,148)	(2,429)	-	-	-
Total Equity		396,746	371,217	393,613	377,301	368,738

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE AND SERVICES

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2011

	Notes	Consolidated			Department of Finance and Services		
		Accumulated Funds	Asset Revaluation Surplus	Total	Accumulated Funds	Asset Revaluation Surplus	Total
		\$'000	\$'000	\$'000	\$'000		\$'000
Balance as at 1 July 2010		373,646	-	373,646	368,738	-	368,738
Outside Equity Interest		(2,429)	-	(2,429)	-	-	-
Net equity as at 1 July 2010		371,217	-	371,217	368,738	-	368,738
Surplus/(deficit) for the year		(2,507)	-	(2,507)	(3,161)	-	(3,161)
Outside Equity Interest		(281)	-	(281)	-	-	-
Net surplus/(deficit) for the year		(2,788)	-	(2,788)	(3,161)	-	(3,161)
Other comprehensive income							
Superannuation Gain/(Loss)		7,377	-	7,377	7,377	-	7,377
Net increase/(Decrease) in property, plant and equipment		-	3,103	3,103	-	3,103	3,103
Total other comprehensive income		7,377	3,103	10,480	7,377	3,103	10,480
Total comprehensive income for the year		4,589	3,103	7,692	4,216	3,103	7,319
Transfers with owners in their capacity as owners							
Increase/(decrease) in net assets from equity transfers	22	17,556	-	17,556	17,556	-	17,556
Balance as at 30 June 2011 (before Outside Equity Interest)		395,791	3,103	398,894	390,510	3,103	393,613
Outside Equity Interest		(2,148)	-	(2,148)	-	-	-
Balance as at 30 June 2011		393,643	3,103	396,746	390,510	3,103	393,613
Balance as at 1 July 2009		-	-	-	-	-	-
Restated total equity as at 1 July 2009		-	-	-	-	-	-
Surplus/(deficit) for the year		(4,972)	-	(4,972)	(5,055)	-	(5,055)
Outside Equity Interest		63	-	63	-	-	-
Net surplus/(deficit) for the year		(4,909)	-	(4,909)	(5,055)	-	(5,055)
Other comprehensive income							
Superannuation Gain/(Loss)		(49,136)	-	(49,136)	(49,136)	-	(49,136)
Total other comprehensive income		(49,136)	-	(49,136)	(49,136)	-	(49,136)
Total comprehensive income for the year		(54,045)	-	(54,045)	(54,191)	-	(54,191)
Transfers with owners in their capacity as owners							
Increase/(decrease) in net assets from equity transfers		427,754	-	427,754	422,929	-	422,929
Outside Equity Interest		(2,492)	-	(2,492)	-	-	-
Assets from equity transfers net of Outside Equity		425,262	-	425,262	422,929	-	422,929
Balance as at 30 June 2010(before Outside Equity Interest)		373,646	-	373,646	368,738	-	368,738
Outside Equity Interest		(2,429)	-	(2,429)	-	-	-
Balance as at 30 June 2010		371,217	-	371,217	368,738	-	368,738

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE AND SERVICES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	Consolidated		Department of Finance and Services		
		Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		402,439	381,758	397,416	419,215	377,165
Grants and subsidies		102,334	11,236	102,334	106,449	11,236
Finance costs		33,704	37,654	33,704	38,743	37,255
Other		1,479,123	1,594,776	1,471,058	564,287	1,590,081
Total Payments		2,017,600	2,025,424	2,004,512	1,128,744	2,015,737
Receipts						
Sale of goods and services		1,751,333	2,015,440	1,735,446	675,570	2,004,882
Retained taxes, fees and fines		56,351	42,387	56,351	163	42,387
Interest received		18,566	14,105	18,437	16,547	14,051
Other		17,289	13,937	17,289	377,626	13,937
Total Receipts		1,843,539	2,085,869	1,827,523	1,069,906	2,075,257
Cash Flows from Government						
Recurrent appropriation		265,425	96,684	265,425	273,987	96,684
Capital appropriation		14,033	2,667	14,033	5,109	2,667
Cash Transfers to the Consolidated Fund		(50,000)	-	(50,000)	-	-
Net Cash Flows from Government		229,458	99,351	229,458	279,096	99,351
NET CASH FLOWS FROM OPERATING ACTIVITIES	27	55,397	159,796	52,469	220,258	158,871

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE AND SERVICES

**STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2011**

	Notes	Consolidated		Department of Finance and Services		
		Actual 2011 \$'000	Actual 2010 \$'000	Actual 2011 \$'000	Budget 2011 \$'000	Actual 2010 \$'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of Land and Buildings, Plant and Equipment and Infrastructure Systems		152,102	155,629	152,102	135,212 39	155,629
Proceeds from sale of investments		-	-	-		-
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(317,580)	(309,475)	(315,314)	(296,358)	(309,161)
Purchases of investments		-	-	-	(700)	-
Other		5	-	5	(18,783)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(165,473)	(153,846)	(163,207)	(180,590)	(153,532)
CASH FLOWS FROM FINANCING ACTIVITIES						
Capital appropriation - equity appropriation		-	-	-	-	-
Proceeds from borrowings and advances		277,398	273,143	277,398	253,429	274,155
Repayment of borrowings and advances		(273,773)	(284,421)	(273,773)	(278,871)	(284,421)
Transfer to NSW Treasury		-	(19,095)	-	(24,852)	(19,095)
NET CASH FLOWS FROM FINANCING ACTIVITIES		3,625	(30,373)	3,625	(50,294)	(29,361)
NET INCREASE/(DECREASE) IN CASH		(106,451)	(24,423)	(107,113)	(10,626)	(24,022)
Opening cash and cash equivalents		467,171	491,594	465,371	465,371	489,393
Cash transferred in (out) as a result of administrative restructuring	22	115,515	-	115,515	115,515	-
CLOSING CASH AND CASH EQUIVALENTS	10	476,235	467,171	473,773	570,260	465,371

The accompanying notes form part of these financial statements.

Department of Finance and Services
Service Group Statements (Parent Entity) - Expenses and Revenue for the year ended 30 June 2011

EXPENSES AND INCOME	Public Works 2011 \$'000	Govt Services 2011 \$'000	Fair Trading 2011 \$'000	Policy and Strategy 2011 \$'000	Land & Property Information 2011 \$'000	Office of State Revenue 2011 \$'000	Personnel Services 2011 \$'000	Not Attributable 2011 \$'000	DFS Total 2011 \$'000
Expenses excluding losses									
Operating Expenses	132,182	82,271	95,268	25,684	18,702	27,250	20,451	-	401,808
• Employee related	51,866	84,130	31,763	31,720	14,283	9,375	-	-	223,137
• Other operating expenses	2,403	164,100	6,426	7,840	4,711	2,129	-	-	187,609
Depreciation and amortisation	354	607	12,613	37,243	28,395	5,968	11,254	-	96,434
Grants and subsidies	-	33,704	-	-	-	-	-	-	33,704
Finance costs	-	-	-	-	-	-	-	-	-
Book value of motor vehicles sold	-	123,580	-	-	-	-	-	-	123,580
Other expenses	-	-	3,161	1,217	690	-	-	-	5,068
Total Expenses excluding losses	186,805	488,392	149,231	103,704	66,781	44,722	31,705	-	1,071,340
Revenue									
Sale of goods and services	210,981	282,403	45,310	28,733	38,031	7,439	20,942	-	633,839
Investment revenue	3,435	5,403	9,544	841	590	533	-	-	20,346
Retained taxes, fees and fines	3	1	58,220	-	-	21	-	-	58,245
Grants and contributions	-	-	12,501	1,496	-	-	-	-	13,997
Proceeds from sale of motor vehicles	-	152,009	-	-	-	-	-	-	152,009
Other revenue	3	8	25	11	81	150	-	-	278
Total Revenue	214,422	439,824	125,600	31,081	38,702	8,143	20,942	-	878,714
Gain/(loss) on disposal	(146)	(3,079)	(512)	(4,131)	-	(4)	-	-	(7,872)
Other gains/(losses)	(508)	(377)	(421)	(124)	(69)	(68)	-	-	(1,567)
NET COST/(SURPLUS) OF SERVICES	(26,963)	52,024	24,564	76,878	28,148	36,651	10,763	-	202,065
Government contributions	-	-	-	-	-	-	-	198,904	198,904
SURPLUS/(DEFICIT) FOR THE YEAR	26,963	(52,024)	(24,564)	(76,878)	(28,148)	(36,651)	(10,763)	198,904	(3,161)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Superannuation gains/(losses)	-	-	-	-	3,916	-	(814)	4,275	7,377
Increase in asset revaluation reserve	-	-	-	-	-	-	-	3,103	3,103
Total other comprehensive income	-	-	-	-	3,916	-	(814)	7,378	10,480
TOTAL COMPREHENSIVE INCOME	26,963	(52,024)	(24,564)	(76,878)	(24,232)	(36,651)	(11,577)	206,282	7,319

Department of Finance and Services
Service Group Statements (Parent Entity) - Expenses and Revenue for the year ended 30 June 2011 (cont'd)

EXPENSES AND INCOME	Public Works 2011 \$'000	Govt Services 2011 \$'000	Fair Trading 2011 \$'000	Policy and Strategy 2011 \$'000	Land & Property Information 2011 \$'000	Office of State Revenue 2011 \$'000	Personnel Services 2011 \$'000	Not Attributable 2011 \$'000	DFS Total 2011 \$'000
Administered Expenses Total Administered Expenses	-	-	-	-	-	210,527	-	-	210,527
Administered Revenues Consolidated Fund Licences, taxes, fees and fines Other	-	-	70,970	19	20,784	3,890,520	-	-	3,982,293
Total Administered Revenues	-	-	-	-	-	214,371	-	-	214,371
Administered Revenues less Expenses	-	-	70,970	19	20,784	4,104,891	-	-	4,196,664
	-	-	70,970	19	20,784	3,894,364	-	-	3,986,137

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

**Department of Finance and Services
Service Group Statements (Parent Entity) - Expenses and Revenue for the year ended 30 June 2010**

EXPENSES AND INCOME	Public Works 2010 \$'000	Procurement 2010 \$'000	Fair Trading 2010 \$'000	Industrial Relations 2010 \$'000	Corporate Services 2010 \$'000	Information & Communications Technology 2010 \$'000	Strategic Communications and Government Advertising 2010 \$'000	Not Attributable 2010 \$'000	DFS Total 2010 \$'000
Expenses excluding losses									
Operating Expenses	133,396	27,969	114,896	17,119	30,575	15,903	4,121	-	343,979
• Employee related	61,222	27,295	40,599	5,471	9,227	33,704	3,123	-	180,641
• Other operating expenses	8,912	152,682	13,175	1,359	1,486	11,103	298	-	189,015
Depreciation and amortisation	407	-	12,333	-	242	955	-	-	13,937
Grants and subsidies	-	37,255	-	-	-	-	-	-	37,255
Finance costs	-	127,805	-	-	-	-	-	-	127,805
Book value of motor vehicles sold	1,432	6	1,552	2	-	2	1	-	2,995
Other expenses									
Total Expenses excluding losses	205,369	373,012	182,555	23,951	41,530	61,667	7,543	-	895,627
Revenue									
Sale of goods and services	217,954	264,281	51,169	2,092	30,955	12,314	2,659	-	581,424
Investment revenue	3,036	3,135	7,172	408	64	255	114	-	14,184
Retained taxes, fees and fines									
Grants and contributions	2	-	44,977	-	-	-	-	-	44,979
Proceeds from sale of motor vehicles	3	1	12,115	-	-	115	-	-	12,234
Other revenue	-	155,553	-	-	-	-	-	-	155,553
Total Revenue	221,021	423,040	115,456	2,502	31,027	12,711	2,852	-	808,609
Gain/(loss) on disposal	(238)	(35)	(244)	(633)	(4)	(24)	(6)	-	(1,184)
Other gains/(losses)	(347)	(71)	(1,317)	-	(447)	(162)	-	-	(2,344)
NET COST/(SURPLUS) OF SERVICES	(15,067)	(49,922)	68,660	22,082	10,954	49,142	4,697	-	90,546
Government contributions	-	-	-	-	-	-	-	85,491	85,491
SURPLUS/(DEFICIT) FOR THE YEAR	7,722	49,922	(62,931)	(21,127)	(10,961)	(48,546)	(4,625)	85,491	(5,055)
Other comprehensive income	-	-	-	-	-	-	-	(49,136)	(49,136)
Total other comprehensive income	-	-	-	-	-	-	-	(49,136)	(49,136)
TOTAL COMPREHENSIVE INCOME	7,722	49,922	(62,931)	(21,127)	(10,961)	(48,546)	(4,625)	36,355	(54,191)

Department of Finance and Services
Service Group Statements (Parent Entity) - Expenses and Revenue for the year ended 30 June 2010 (cont'd)

EXPENSES AND INCOME	Public Works 2010 \$'000	Procurement 2010 \$'000	Fair Trading 2010 \$'000	Industrial Relations 2010 \$'000	Corporate Services 2010 \$'000	Information & Communications Technology 2010 \$'000	Strategic Communications and Government Advertising 2010 \$'000	Not Attributable 2010 \$'000	DFS Total 2010 \$'000
Administered Expenses	-	-	-	-	5,406	-	-	-	5,406
Administered Revenues	-	-	53,558	2	-	-	-	-	53,560
Consolidated Fund Licences, taxes, fees and fines	-	-	53,558	2	-	-	-	-	53,560
Total Administered Revenues	-	-	53,558	2	-	-	-	-	53,560
Administered Revenues less Expenses	-	-	53,558	2	(5,406)	-	-	-	48,154

Department of Finance and Services
Service Group Statement (Parent Entity) - Assets and Liabilities as at 30 June 2011

ASSETS AND LIABILITIES	Public Works 2011 \$'000	Govt Services 2011 \$'000	Fair Trading 2011 \$'000	Policy and Strategy 2011 \$'000	Land & Property Information 2011 \$'000	Office of State Revenue 2011 \$'000	Personnel Services 2011 \$'000	Not Attributable 2011 \$'000	DFS Total 2011 \$'000
Current Assets									
Cash and cash equivalents	76,363	85,353	195,360	27,162	56,891	21,385	-	11,259	473,773
Receivables	217,112	45,540	15,816	9,267	13,737	6,137	15,137	-	322,746
Inventories	302	2,802	-	-	42	-	-	-	3,146
Financial assets at fair value	-	-	21,510	-	-	-	-	-	21,510
Other	164	2,675	169	659	3,209	874	-	-	7,750
Total Current Assets	293,941	136,370	232,855	37,088	73,879	28,396	15,137	11,259	828,925
Non Current Assets									
Inventories	3,662	-	-	-	804	-	-	-	4,466
Property, plant and equipment	19,730	561,813	18,524	41,697	100,312	14,635	-	-	756,711
Intangibles	2,642	38,962	13,710	-620	32,312	28,438	-	-	115,444
Other	-	-	-	-	24	5	9,127	-	9,156
Total Non Current Assets	26,034	600,775	32,234	41,077	133,452	43,078	9,127	-	885,777
TOTAL ASSETS	319,975	737,145	265,089	78,165	207,331	71,474	24,264	11,259	1,714,702
Current Liabilities									
Payables	211,803	30,428	16,323	5,548	22,605	4,695	1,393	-	292,795
Borrowings	-	212,665	-	-	-	-	-	-	212,665
Provisions	53,346	15,564	11,588	1,992	53,819	10,618	11,600	-	158,527
Other	8,143	6,977	6,665	1,971	20,821	1,641	-	-	46,218
Total Current Liabilities	273,292	265,634	34,576	9,511	97,245	16,954	12,993	-	710,205
Non Current Liabilities									
Borrowings	-	331,635	-	-	-	-	-	-	331,635
Other	38,640	28,843	31,995	9,639	158,750	111	11,271	-	279,249
Total Non Current Liabilities	38,640	360,478	31,995	9,639	158,750	111	11,271	-	610,884
TOTAL LIABILITIES	311,932	626,112	66,571	19,150	255,995	17,065	24,264	-	1,321,089
NET ASSETS	8,043	111,033	198,518	59,015	(48,664)	54,409	-	11,259	393,613

Administered Assets and Liabilities are disclosed in Note 30 to 32.

Department of Finance and Services
Service Group Statement (Parent Entity) - Assets and Liabilities for the Year Ended 30 June 2010

ASSETS AND LIABILITIES	Public Works 2010 \$'000	Procurement 2010 \$'000	Fair Trading 2010 \$'000	Industrial Relations 2010 \$'000	Corporate Services 2010 \$'000	Information & Communications Technology 2010 \$'000	Strategic Communications and Government Advertising 2010 \$'000	Not Attributable 2010 \$'000	DFS Total 2010 \$'000
Current Assets									
Cash and cash equivalents	270,032	72,833	113,124	162	14	7,021	2,185	-	465,371
Receivables	211,406	55,415	12,472	457	4,870	2,128	2,737	1,526	291,011
Inventories	495	5,777	-	-	-	-	-	-	6,272
Financial assets at fair value	-	-	23,929	-	-	-	-	-	23,929
Other	171	265	516	-	97	1,532	-	1,663	4,244
Total Current Assets	482,104	134,290	150,041	619	4,981	10,681	4,922	3,189	790,827
Non Current Assets									
Inventories	3,942	-	-	-	-	-	-	-	3,942
Property, plant and equipment									
Intangibles	26,455	533,485	9,797	1,209	492	47,178	6	32,206	650,828
	538	1,665	10,912	295	823	10,420	-	29,014	53,667
Total Non Current Assets	30,935	535,150	20,709	1,504	1,315	57,598	6	61,220	708,437
TOTAL ASSETS	513,039	669,440	170,750	2,123	6,296	68,279	4,928	64,409	1,499,264
Current Liabilities									
Payables	268,549	24,016	9,319	412	4,451	5,591	1,779	34,678	348,795
Borrowings	-	222,857	-	-	-	-	-	-	222,857
Provisions	58,591	10,204	13,175	1,721	3,833	1,476	1,277	-	90,277
Other	91	1,614	436	-	187	624	175	20,130	23,257
Total Current Liabilities	327,231	258,691	22,930	2,133	9,145	7,691	3,231	54,808	685,860
Non Current Liabilities									
Borrowings	-	317,818	-	-	-	-	-	-	317,818
Other	95,434	27,691	-	176	635	-	3,586	-	127,522
Total Non Current Liabilities	95,434	345,509	-	176	635	-	3,586	-	445,340
TOTAL LIABILITIES	422,665	604,200	22,930	2,309	9,106	7,691	6,817	54,808	1,130,526
NET ASSETS	90,374	65,240	147,820	(186)	(2,810)	60,588	(1,889)	9,601	368,738

Department of Finance and Services
Summary of Compliance with Financial Directives

	2011			2010		
	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000
Original Budget Appropriation / Expenditure						
• Appropriation Act	161,437	159,958	1,226	1,226	-	-
• Section 24 PF&AA - transfer of functions between Departments	115,384	103,456	7,293	6,583	153,456	128,872
• Additional Appropriations / Section 21A reductions	(12,301)	(12,301)	-	-	(3,851)	-
• Section 26 PF&AA - Commonwealth specific purpose payments	-	-	-	-	460	-
• Contribution to Treasury paid by Budget Dependent Agencies	(37,995)	(37,615)	-	-	(20,000)	-
	226,525	213,498	8,519	7,809	130,065	129,332
						1,943
Other Appropriations / Expenditure						
• Treasurer's Advance	16,797	14,797	20,900	5,061	7,980	7,694
• StateFleet Motor Vehicle Reserve - replacement of appropriation	-	-	-	-	(56,300)	(56,300)
• Section 24 - SC&GA	(373)	(373)	-	-	-	-
	16,424	14,424	20,900	5,061	(48,320)	(48,606)
						731
						496
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	242,949	227,922	29,419	12,870	81,745	80,726
Amount drawn down against Appropriation	-	271,222	-	14,033	-	101,745
Liability to Consolidated Fund(i)	-	(43,300)	-	(1,163)	-	(21,019)
						3,012
						(573)

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

(i) The "Liability to Consolidated Fund" is the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund" including transfer payments (refer Note 20). This also includes \$42.6M to be transferred to NSW Treasury in 2011/12 (refer Note 1(m)).

DEPARTMENT OF FINANCE AND SERVICES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Department of Finance and Services was established as a result of an administrative restructure as per the Public Sector Employment and Management (Departments) Order 2011 (No 184) dated 3 April 2011. The order renamed the former Department of Services, Technology and Administration to the Department of Finance and Services (DFS) and the Office of State Revenue and Land and Property Information were transferred to the new Department. In addition, other business groups including Metro Water and Corporate and Shared Services Reform Program were also transferred to the new Department. Details of the transferred activities / programs are outlined in Notes 9 and 22.

For reporting purposes the effective date of the restructure is 1 April 2011.

The Department of Finance and Services as a reporting entity comprises the following major Divisions / Business Units to the new Department:

- NSW Public Works
- NSW Fair Trading
- Government Services, including:
 - NSW Procurement
 - ServiceFirst
 - StateFleet
 - Corporate and Shared Services Reform
- Policy and Strategy, including
 - NSW Industrial Relations
 - Metro Water
 - Information and Communications Technology
 - Office of Finance
- Land & Property Information
- Office of State Revenue
- Corporate Units.

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 significant inter-entity transactions and balances have been eliminated.

The Department of Finance and Services 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.

Administered activities undertaken on behalf of the Crown Entity are consolidated in the Crown Entity accounts. Those undertaken on behalf of local councils and other public sector agencies are reported by the individual entities.

This consolidated financial statements for the year ended 30 June 2011 has been authorised for issue by the Director-General on 17 October 2011.

(b) Basis of Preparation

The Department of Finance and Services' financial statements are a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* 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 at "fair value through profit or loss" 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 Australian Accounting Interpretations.

(d) Administered Activities

The Department of Finance and Services 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 applicable accounting standards and crown entity income recognition policies have been adopted.

In accordance with the Crown Entity's current revenue recognition policy (TC 92/25 'Accounting for Crown Revenue') State revenue is recognised as follows within Note 35 (a):

- Government-assessed revenues (primarily land tax and gaming) are regarded as being able to be measured reliably at the time of issuing the assessment
- Taxpayer-assessed revenues (including payroll tax, duties and lotteries) are regarded as being able to be measured reliably when the funds are received by The Treasury. Additional revenues are recognised for assessments subsequently issued following the review of returns lodged by taxpayers
- Interest payable on government and taxpayer – assessed revenues is brought to account on a daily basis
- Enforcement orders issued by the State Debt Recovery Office (SDRO) are regarded as being able to be measured reliably when the enforcement order is issued and assessed as recoverable or meeting asset recognition criteria. Penalty notices issued are regarded as being able to be measured reliably when the cash is received.

Receivables and liabilities reported under administered activities are a result of statutory requirements and are not financial instruments.

(e) 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.

(f) Insurance

The Department'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.

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

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

- the amount of GST incurred by the department 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; and
- 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.

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

(h) Income Recognition

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

(i) Parliamentary Appropriations and Contributions

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when the Department obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash. Appropriations are not recognised as revenue in the following circumstances:

- "Equity appropriations" to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections (ie contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity. The reconciliation between the Statement of Comprehensive Income, Statement of Summary of Compliance with Financial Directives and the total appropriations is disclosed in Note 5.
- Unspent appropriations are recognised as liabilities rather than revenue, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

The liability is disclosed in Note 20 as part of "Current/Non-Current Liabilities - Other". 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 31 "Other Administered Assets and Liabilities".

(ii) Sale of Goods

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

(iii) 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 DFS 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.

Motor Vehicle Leasing Income includes lease fee and fleet management fee and is invoiced to client agencies on a monthly basis and is recognised as revenue in the Department's Statement of Comprehensive Income.

(iv) Investment Revenue

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

(i) **Assets**

(i) 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 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(l)).

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.

(ii) Capitalisation Thresholds

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

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-01). 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 land and buildings are revalued every three years. The last revaluation was completed on 30 April 2011 and was based on an independent assessment. Other non-current assets are assessed by the management to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Non-specialised assets with short useful lives are measured at depreciated historical cost, 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.

(iv) Impairment of Property, Plant and Equipment

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

(v) 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. Land is not a depreciable asset.

The depreciation rates used for 2010/11 for each class of assets are:

Land and Buildings

Heritage Assets	0%
Buildings	2.5%

Plant and Equipment

Motor vehicles	8.0% to 33.3%
Government Radio Network	6.67% to 33.3%
Mainframe computers	20.0% to 25.0%
Major computer systems	12.5% to 25.0%
Computer equipment	20.0% to 25.0%
Furniture and fittings	10.0%
Office equipment	14.0% to 20.0%

Leasehold improvements

Other plant and equipment	5.0% to 33.0%
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(vi) Major Inspection Costs

When a major inspection is performed, 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.

(vii) 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.

(viii) Maintenance

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

(ix) 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 at 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 Statement of Comprehensive Income in the periods in which they are incurred.

(x) Intangible Assets

The Department recognises intangible assets only if it is probable that future economic benefits will flow to the Department 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 Department's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Department's intangible assets (computer software) are amortised using the straight line method over a period of 4 to 10 years.

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

(xi) 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 Statement of Comprehensive Income 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.

(xii) Inventories

Inventories held for distribution are stated at the lower of cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. 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.

Motor vehicles held for sale are recognised as part of inventory (refer Note 1(b)).

(xiii) 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 Department 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 Department subsequently measures investments classified as "held for trading" or designated upon initial recognition "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.
- *The Hour-Glass Investment Facilities* - are designated at fair value through profit or loss using the second leg of the fair value option ie these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Department's key management personnel.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item "investment revenue".

- *Held to maturity investments* - non-derivative financial assets with fixed or determinable payments and fixed maturity that the Department 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 Statement of Comprehensive Income 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 Statement of Comprehensive Income. However, interest calculated using the effective interest method and dividends are recognised in the Statement of Comprehensive Income.

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 Statement of Financial Position date.

(xiv) 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 surplus / (deficit) for the year.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the surplus / (deficit) for the year, 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 surplus / (deficit) for the year.

Any reversals of impairment losses are reversed through the surplus / (deficit) for the year, 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.

(xv) **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 Department has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Department 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.

(xvi) **Trust Funds**

The Department receives monies in a trustee capacity for various trusts as set out in Note 28. As the Department performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Department's own objectives, these funds are not recognised in the financial statements.

(xvii) **Other Assets**

Other assets are recognised on a cost basis.

(j) Liabilities

(i) **Payables**

These amounts represent liabilities for goods and services provided to the Department 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.

(ii) **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 Statement of Comprehensive Income on derecognition.

(iii) **Employee Benefits and Other Provisions**

(a) **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.

(b) Long Service Leave and Superannuation

The Department's liabilities for long service leave and defined benefit superannuation for Fair Trading, Industrial Relations, Information & Communications Technology and Office of State Revenue 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 at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 11/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (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 Department 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 with the exception of Land and Property Information, 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.

Land and Property Information funds its own long service leave liability and makes payments out of its cash balances.

(c) Other Provisions

Other provisions exist when the Department 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.

(k) **Equity and Reserves**

(i) 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 agency's policy on the revaluation of property, plant and equipment as discussed in note 1(i)(iii).

(ii) Accumulated Funds

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

- (iii) Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. asset revaluation reserve and foreign currency translation reserve).

(l) 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 and 'equity appropriations' (refer Note 1(h)(i)) are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 Contributions and Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

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

(m) Transfers to NSW Treasury

A transfer of \$42.6M from the operating surplus of non-budget funded business units of the Department for the current financial year has been agreed with NSW Treasury. This amount is disclosed as a liability to the Consolidated Fund (refer Note 20).

(n) 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.

(o) 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 Statement of Comprehensive Income and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of Financial Position, 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).

(p) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous reporting period 30 June 2010 for all amounts reported in the financial statements.

The comparative information included in the primary financial statements only covers the former Department of Services, Technology and Administration.

(q) New Australian Accounting Standards Issued But Not Effective

The following new Accounting Standards have not been applied and are not yet effective:

- AASB 9 (Dec 2010) and AASB 2010-7 regarding financial instruments
- AASB 124 and AASB 2009-12 regarding related party transactions
- AASB 2009-14 regarding amendments to Interpretation - Prepayments of a Minimum Funding Requirement
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 2010-4 regarding annual improvements
- AASB 2010-5 regarding editorial corrections
- AASB 2010-6 regarding disclosures on transfers of financial assets
- AASB 2010-8 regarding deferred tax: recovery of underlying assets
- AASB 2010-9 regarding severe hyperinflation and removal of fixed dates for first time adopters
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 1054 Australian Additional Disclosures
- AASB 2011-1 regarding the Trans Tasman Convergence project
- AASB 2011-2 regarding the Trans Tasman Convergence project - RDR
- AASB 2011-3 regarding orderly adoption of changes to the ABS GFS Manual
- AASB 2011-4 removing individual key management personnel disclosures
- AASB 2011-5 extending relief from consolidation, the equity method and proportionate consolidation
- AASB 2011-6 regarding RDR requirements extending relief from consolidation, the equity method and proportionate consolidation
- AASB 10 Consolidated financial statements
- AASB 11 Joint arrangements
- AASB 12 Disclosures of interests in other entities
- AASB 13 and AASB 2011-8 regarding fair value measurement
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 127 Separate financial statements
- AASB 128 Investments in associates and joint ventures
- AASB 2011-7 regarding consolidation and joint arrangements
- AASB 2011-9 regarding presentation of items of other comprehensive income

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

2. EXPENSES EXCLUDING LOSSES

(a) Employee Related Expenses

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including recreation leave)	361,565	301,538	357,278	297,512
Superannuation - defined benefit plans	(14,257)	(4,695)	(14,257)	(4,695)
Superannuation - defined contribution plans	19,299	16,683	18,946	16,316
Long service leave	12,774	12,526	12,773	12,510
Workers compensation insurance	3,391	3,012	3,391	3,012
Payroll tax and fringe benefits tax	21,611	18,391	21,391	18,174
Voluntary redundancy	2,286	1,150	2,286	1,150
	406,669	348,605	401,808	343,979

Employee related expense of \$2.2M (2009/10 \$0.7M) have been capitalised in various capital works and therefore excluded from the above.

(b) Other Operating Expenses

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Auditor's remuneration				
- audit of the financial statements	829	548	794	515
Cost of sales	46,129	44,236	42,259	42,496
Government Radio Network operating expenses	23,188	23,124	23,188	23,124
Advertising	1,289	443	1,289	443
Bad debts expense	910	424	910	424
Operating lease rental expense - minimum lease payments	35,323	32,569	33,124	32,091
Maintenance	4,386	2,817	4,187	2,650
Insurance	1,904	2,380	1,904	2,380
Valuation services contractors	5,132	-	5,132	-
Fees and charges	42,383	22,688	42,383	22,688
Postage and telephone	6,226	6,975	5,759	6,520
Printing, stationery and stores	5,045	3,810	5,045	3,810
Consultants	4,402	2,127	4,402	2,127
Books and periodicals	1,487	1,299	1,473	1,299
Travel and motor vehicle expenses	3,379	2,083	3,379	2,083
Computer expenses	33,594	27,436	34,993	27,436
Minor equipment	2,121	2,717	2,121	2,717
Training	4,459	3,880	4,459	3,880
Other	9,166	6,229	6,336	3,958
	231,352	185,785	223,137	180,641

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Reconciliation - Total Maintenance				
Maintenance expense, as above	4,386	2,817	4,187	2,650
Employee related maintenance expenses included in Note 2(a)*	-	-	-	-
Total maintenance expenses included in Notes 2(a) and 2(b)	4,386	2,817	4,187	2,650

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

(c) Depreciation and Amortisation Expense

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Depreciation				
- Buildings	558	171	558	171
- Plant and equipment(i)	169,036	172,701	167,197	171,381
- Leasehold Improvements	3,432	4,476	3,432	4,476
	173,026	177,348	171,187	176,028
Amortisation				
- Intangible Assets	16,422	12,987	16,422	12,987
	189,448	190,335	187,609	189,015

(i) Includes StateFleet depreciation on leased vehicles \$147.1M 2010/11 (\$149.5M 2009/10)

(d) **Grants and Subsidies**

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Information and Community Technology Grant	10	945	10	945
Subsidies to Fair Trading Admin Corporation	5,600	5,600	5,600	5,600
Tenancy Advice and Advocacy Program	3,832	4,526	3,832	4,526
State Property Authority Grants	18,404	-	18,404	-
Metro Water Grants	37,146	-	37,146	-
Teacher Housing Authority Grants	5,473	-	5,473	-
State Records Authority Grants	5,781	-	5,781	-
Other Grants	20,188	2,866	20,188	2,866
	96,434	13,937	96,434	13,937

(e) **Finance Costs**

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Interest on borrowings	34,028	37,481	33,704	37,255

(f) **Book Value of Motor Vehicles Sold**

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Book value of StateFleet motor vehicles sold	123,580	127,805	123,580	127,805

(g) **Other Expenses**

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Other minor expenses	5,068	2,995	5,068	2,995

3. **REVENUE**

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

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Mapping, spatial, surveying and related services	569	-	569	-
Project and asset management services	205,465	208,414	205,465	208,414
Titling	22,908	-	22,908	-
Valuation	13,986	-	13,986	-
Supply Fees	50,705	51,161	50,705	51,161
Penalty notice fees	6,697	-	6,697	-
Business and personnel services	43,293	36,176	43,293	36,176
Advertising	1,492	1,993	1,492	1,993
Motor vehicle leasing	206,785	215,584	206,785	215,584
Administrative assistance	26,488	29,386	26,488	29,386
Government Radio Network services	20,777	8,012	20,777	8,012
Register of Encumbered Vehicles services	12,149	11,907	12,149	11,907
Other goods and services	38,193	30,145	22,525	18,791
Total Sale of Goods and Services	649,507	592,778	633,839	581,424

(b) Investment Revenue

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Interest on investments	13,491	10,314	13,491	10,314
Interest on bank accounts	6,984	3,924	6,855	3,870
	20,475	14,238	20,346	14,184

(c) Retained Taxes, Fees and Fines

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Statutory interest	39,009	31,482	39,009	31,482
Building Licensing Fees	8,298	7,805	8,298	7,805
Owner Builder Permit Fees	1,394	1,467	1,394	1,467
Motor Dealers Compensation Fees	1,241	1,006	1,241	1,006
Fines / Penalties	238	(41)	238	(41)
Other Fees	8,065	3,260	8,065	3,260
	58,245	44,979	58,245	44,979

(d) Grants and Contributions

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Contribution from Rental Bond Board(i)	12,311	11,919	12,311	11,919
Other	1,686	315	1,686	315
	13,997	12,234	13,997	12,234

(i) 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) Proceeds of Sale of State Fleet Motor Vehicles

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Gross proceeds of sale of motor vehicles	155,422	158,695	155,422	158,695
Less: Selling costs	(3,413)	(3,142)	(3,413)	(3,142)
	152,009	155,553	152,009	155,553

(f) **Other Revenue**

Other

Consolidated		Department of Finance and Services	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
278	235	278	235

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

Gain/(loss) on disposal of property, plant and equipment (other than StateFleet Motor Vehicles)

Proceeds from disposal

Written down value of assets disposed

Net gain/(loss) on disposal of property, plant and equipment (other than StateFleet Motor Vehicles)

Consolidated		Department of Finance and Services	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
93	58	93	58
(7,965)	(1,242)	(7,965)	(1,242)
(7,872)	(1,184)	(7,872)	(1,184)

(b) **OTHER GAINS/(LOSSES)**

Increase in allowance for impairment

Sale of goods and services

Retained taxes, fees and fines

Net other gains/(losses)

Consolidated		Department of Finance and Services	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
83	(1,028)	83	(1,028)
(1,650)	(1,316)	(1,650)	(1,316)
(1,567)	(2,344)	(1,567)	(2,344)

5. **APPROPRIATIONS**

Recurrent appropriations

Total recurrent draw-downs from Treasury
(per Summary of Compliance)

Less: Liability to Consolidated Fund
(per Summary of Compliance)

Comprising:

Recurrent appropriations
(per Statement of Comprehensive Income)

Transfer payments

Transfer to NSW Treasury

Consolidated		Department of Finance and Services	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
271,222	101,745	271,222	101,745
(43,300)	(21,019)	(43,300)	(21,019)
227,922	80,726	227,922	80,726
265,537	75,665	265,537	75,665
-	5,061	-	5,061
(37,615)	-	(37,615)	-
227,922	80,726	227,922	80,726

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Capital appropriations				
Total capital draw-downs from Treasury (per Summary of Compliance)	14,033	3,012	14,033	3,012
Less: Liability to Consolidated Fund (per Summary of Compliance)	(1,163)	(573)	(1,163)	(573)
	12,870	2,439	12,870	2,439
Comprising:				
Capital appropriations (per Statement of Comprehensive Income)	12,870	2,094	12,870	2,094
Transfer payments	-	345	-	345
	12,870	2,439	12,870	2,439

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:

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Superannuation - defined benefit	4,056	3,425	4,056	3,425
Long service leave	3,842	4,109	3,842	4,109
Payroll tax	214	198	214	198
	8,112	7,732	8,112	7,732

7. TRANSFERS TO THE CONSOLIDATED FUND OF NSW

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
StateFleet Motor Vehicle Reserve	50,000	-	50,000	-
	50,000	-	50,000	-

8. TRANSFER PAYMENTS

The Department received \$nil 2010/11 (\$5.4M in 2009/10) for payment to other agencies. The Department has no control of the funds and the funds are transferred to other agencies upon receipt from NSW Treasury.

9. PROGRAMS / ACTIVITIES OF THE DEPARTMENT

1. Fair Trading

This service group covers fair trading policy development and regulatory review, provision of information to consumers and traders and enforcement of compliance with fair trading laws and impartial dispute resolution through an independent tribunal.

2. NSW Public Works

This service group covers the expert advice and professional services in planning, design, delivery and maintenance of building and engineering projects, currently provided to government agencies on a 'fee for service basis', including the provision of planning and building, design services, management of construction projects, finding sustainable solutions to the problems of capturing, treating and distributing water.

3. Government Services

This service group covers essential client facing shared transactional and corporate services to NSW Government agencies in the areas of procurement, property management, fleet, information technology, human resources, finance and business services. This service group plays a pivotal role in supporting agencies in savings and efficiencies through aggregated purchasing and economies of scale, IT service delivery and corporate and share services reform.

4. Policy and Strategy

This service group covers industrial relations policy development and review, provision of information to employers and employees and enforcement of compliance with industrial relations laws through inspection of NSW workplaces. This service group also covers the development of government ICT and procurement policy, and administration of the Office of Finance.

5. Office of State Revenue

This service group covers revenue administration services, fines management, debt management, and benefit administration services, as well as ensuring the provision of relevant information and education to ensure people are aware of their liabilities and entitlements. OSR also covers the implementation of targeted compliance programs to ensure tax evaders are caught and all unpaid tax and fine liabilities are recovered.

6. Land and Property Information

This service group covers the provision of titling, valuation, surveying, mapping and spatial services to the people of NSW on a commercial basis. These services underpin the property industry of NSW which represents over 30% of the NSW GDP and includes the statutory functions of the Registrar General, Surveyor General and Valuer General.

7. Personnel Services

This service group covers providing personnel services to the State Property Authority, Teachers Housing Authority, Waste Assets Management Corporation, State Records Authority, the Board of Surveying and Spatial Information, and Long Service Corporation.

Transfer of Programs

As part of the administrative restructure on 1 April 2011, the following service groups / Business Units were transferred in/out of the Department of Finance and Services.

(a) **Land and Property Information**

This service group was transferred from the former Land and Property Management Authority (LPMA). The following summarises the expenses and revenue, recognised by LPMA (up to the date of transfer) and DFS (from date of transfer to year end) for the reporting period. Refer Note 22 for details regarding transferred assets and liabilities.

	LPMA 01.07.2010 to 31.03.2011 \$'000	DFS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	2010 Total \$'000
Expenses				
Operating Expenses				
Employee related	81,703	18,702	100,405	98,163
Other operating expenses	32,885	14,818	47,703	48,430
Depreciation and amortisation	13,125	4,711	17,836	16,969
Grants and subsidies	36,971	28,395	65,366	23,209
Finance costs	2	-	2	-
Other expenses	1,389	690	2,079	3,520
Total Expenses excluding losses	166,075	67,316	233,391	190,291
Revenue				
Sale of goods and services	144,677	38,225	182,902	189,294
Investment revenue	1,982	590	2,572	1,654
Retained taxes, fees and fines	-	-	-	-
Grants and contributions	9,827	-	9,827	13,624
Other revenue	-	81	81	421
Total Revenue	156,486	38,896	195,382	204,993
Gain/(loss) on disposal	-	-	-	(169)
Other gains/(losses)	(30)	(69)	(99)	59
NET COST/ (SURPLUS) OF SERVICES	9,619	28,489	38,108	14,591
Government contributions	26,684	18,722	45,406	(10,078)
SURPLUS/(DEFICIT) FOR THE YEAR	17,065	(9,767)	7,298	4,513
Other comprehensive income				
Increase / (decrease) in asset revaluation reserve	-	-	-	3,961
Superannuation actuarial losses	-	3,916	3,916	(37,818)
Total other comprehensive income	-	3,916	3,916	33,857
TOTAL COMPREHENSIVE INCOME	17,065	(5,851)	11,214	(29,344)

(b) **Office of State Revenue**

This office was transferred from NSW Treasury to the Department of Finance and Services. The following summarises the expenses and revenue, recognised by Treasury (up to the date of transfer) and DFS (from date of transfer to year end) for the reporting period. Refer Note 22 for details regarding transferred assets and liabilities.

	Treasury 01.07.2010 to 31.03.2011 \$'000	DFS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	2010 Total \$'000
Expenses				
Operating Expenses				
Employee related	75,754	27,250	103,004	99,175
Other operating expenses	26,984	9,573	36,557	38,530
Depreciation and amortisation	4,620	2,129	6,749	6,438
Grants and subsidies	17,904	5,968	23,872	23,287
Finance costs	-	-	-	-
Other expenses	-	-	-	-
Total Expenses excluding losses	125,262	44,920	170,182	167,430
Revenue				
Sale of goods and services	21,461	7,439	28,900	30,299
Investment revenue	1,386	533	1,919	1,930
Retained taxes, fees and fines	97	21	118	227
Grants and contributions	55	-	55	273
Other revenue	309	150	459	892
Total Revenue	23,308	8,143	31,451	33,621
Gain/(loss) on disposal	(18)	(4)	(22)	(173)
Other gains/(losses)	41	(68)	(27)	(352)
NET COST/ (SURPLUS) OF SERVICES	101,931	36,849	138,780	134,334
Government contributions	118,991	29,761	148,752	129,091
SURPLUS/(DEFICIT) FOR THE YEAR	17,060	(7,088)	9,972	(5,243)
Other comprehensive income				
Increase / (decrease) in asset revaluation reserve	-	-	-	-
Superannuation actuarial losses	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	17,060	(7,088)	9,972	(5,243)

(c) **Corporate and Shared Services Reform Program**

The Corporate and Shared Services Reform Program (part of Government Services) was transferred from the Department of Premier and Cabinet (DPC). The following summarises the expenses and revenue, recognised by DPC (up to the date of transfer) and DFS (from date of transfer to year end) for the reporting period. Refer Note 22 for details regarding transferred assets and liabilities.

	DPC 01.07.2010 to 31.03.2011 \$'000	DFS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	¹2010 Total \$'000
Expenses				
Operating Expenses				
Employee related	745	511	1,256	-
Other operating expenses	2,066	9,503	11,569	-
Depreciation and amortisation	194	35	229	-
Grants and subsidies	-	-	-	-
Finance costs	-	-	-	-
Other expenses	-	-	-	-
Total Expenses excluding losses	3,005	10,049	13,054	-
Revenue				
Sale of goods and services	-	-	-	-
Investment revenue	-	-	-	-
Retained taxes, fees and fines	-	-	-	-
Grants and contributions	-	-	-	-
Other revenue	-	-	-	-
Total Revenue	-	-	-	-
Gain/(loss) on disposal	-	-	-	-
Other gains/(losses)	-	-	-	-
NET COST/ (SURPLUS) OF SERVICES	3,005	10,049	13,054	-
Government contributions	6,656	6,796	13,452	-
SURPLUS/(DEFICIT) FOR THE YEAR	3,651	(3,253)	398	-
Other comprehensive income				
Increase / (decrease) in asset revaluation reserve	-	-	-	-
Superannuation actuarial losses	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	3,651	(3,253)	398	-

¹The Corporate and Shared Services Reform Program was established in 2010/11 therefore there are no comparatives for 2009/10.

(d) **Metro Water**

Staff of Metro Water within Department of Environment, Climate Change and Water (DECCW) were transferred to the Department of Finance and Services. The following summarises the expenses and revenue, recognised by DECCW (up to the date of transfer) and DFS (from date of transfer to year end) for the reporting period. Refer Note 22 for details regarding transferred assets and liabilities.

	DECCW 01.07.2010 to 31.03.2011 \$'000	DFS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	2010 Total \$'000
Expenses				
Operating Expenses				
Employee related	1,625	564	2,189	1,751
Other operating expenses	1,754	253	2,007	652
Depreciation and amortisation	-	-	-	-
Grants and subsidies	115,574	37,146	152,720	150,474
Finance costs	-	-	-	-
Other expenses	-	-	-	-
Total Expenses excluding losses	118,953	37,963	156,916	152,877
Revenue				
Sale of goods and services	-	-	-	-
Investment revenue	-	-	-	-
Retained taxes, fees and fines	-	-	-	-
Grants and contributions	2,004	1,496	3,500	2,952
Other revenue	-	-	-	-
Total Revenue	2,004	1,496	3,500	2,952
Gain/(loss) on disposal	-	-	-	-
Other gains/(losses)	-	-	-	-
NET COST/ (SURPLUS) OF SERVICES	116,949	36,467	153,416	149,925
Government contributions	112,424	40,923	153,347	149,793
SURPLUS/(DEFICIT) FOR THE YEAR	(4,525)	4,456	(69)	(132)
Other comprehensive income				
Increase / (decrease) in asset revaluation reserve	-	-	-	-
Superannuation actuarial losses	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	(4,525)	4,456	(69)	(132)

(e) **Strategic Communications and Government Advertising**

This service group was transferred from the Department of Finance and Services to the Department of Premier and Cabinet (DPC). The following summarises the expenses and revenue, recognised by DFS (up to the date of transfer) and DPC (from date of transfer to year end) for the reporting period. Refer Note 22 for details regarding transferred assets and liabilities.

	DFS 01.07.2010 to 31.03.2011 \$'000	DPC 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	2010 Total \$'000
Expenses				
Operating Expenses				
Employee related	2,291	683	2,974	2,712
Other operating expenses	883	443	1,326	1,749
Depreciation and amortisation	4	3	7	2
Grants and subsidies	-	-	-	-
Finance costs	-	-	-	-
Other expenses	698	-	698	959
Total Expenses excluding losses	3,876	1,129	5,005	5,422
Revenue				
Sale of goods and services	3,236	1,024	4,260	4,018
Investment revenue	-	-	-	-
Retained taxes, fees and fines	-	-	-	-
Grants and contributions	-	-	-	-
Other revenue	-	-	-	-
Total Revenue	3,236	1,024	4,260	4,018
Gain/(loss) on disposal	-	-	-	(1)
Other gains/(losses)	-	-	-	-
NET COST/ (SURPLUS) OF SERVICES	640	105	745	1,405
Government contributions	1,308	373	1,681	1,520
SURPLUS/(DEFICIT) FOR THE YEAR	668	268	936	115
Other comprehensive income				
Increase / (decrease) in asset revaluation reserve	-	-	-	-
Superannuation actuarial losses	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	668	268	936	115

(f) **Retail Tenancy Unit**

The Retail Tenancy Unit was transferred from the Department of Finance and Services to the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS). The following summarises the expenses and revenue, recognised by DFS (up to the date of transfer) and DTIRIS (from date of transfer to year end) for the reporting period. Refer Note 22 for details regarding transferred assets and liabilities.

	DFS 01.07.2010 to 31.03.2011 \$'000	DTIRIS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	2010 Total \$'000
Expenses				
Operating Expenses				
Employee related	420	127	547	608
Other operating expenses	154	98	252	103
Depreciation and amortisation	-	-	-	-
Grants and subsidies	-	-	-	-
Finance costs	-	-	-	-
Other expenses	98	-	98	-
Total Expenses excluding losses	672	225	897	711
Revenue				
Sale of goods and services	662	223	885	696
Investment revenue	-	-	-	-
Retained taxes, fees and fines	-	-	-	-
Grants and contributions	-	-	-	-
Other revenue	-	-	-	-
Total Revenue	662	223	885	696
Gain/(loss) on disposal	-	-	-	-
Other gains/(losses)	-	-	-	-
NET COST/ (SURPLUS) OF SERVICES	10	2	12	15
Government contributions	10	2	12	15
SURPLUS/(DEFICIT) FOR THE YEAR	-	-	-	-
Other comprehensive income				
Increase / (decrease) in asset revaluation reserve	-	-	-	-
Superannuation actuarial losses	-	-	-	-
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	-

(g) Personnel Services

There were a number of transfers both in and out of this service group as at 1 April 2011 as a result of the administrative restructure. Details of Assets and Liabilities transferred are disclosed in Note 22. Details of expenses and revenues as a result of transfers are as follows:

- (i) Transfer of State Property Authority staff from Land and Property Management Authority to Department of Finance and Services.

	LPMA 01.07.2010 to 31.03.2011 \$'000	DFS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	2010 Total \$'000
Expenses				
Employee related	13,695	3,935	17,630	15,773
Total Expenses excluding losses	13,695	3,935	17,630	15,773
Revenue				
Sale of goods and services	13,695	4,749	18,444	15,773
Total Revenue	13,695	4,749	18,444	15,773
NET COST/ (SURPLUS) OF SERVICES	-	(814)	(814)	-
Government Contributions	-	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	-	814	814	-
Other comprehensive income				
Superannuation actuarial losses	-	(814)	(814)	-
Total other comprehensive income	-	(814)	(814)	-
TOTAL COMPREHENSIVE INCOME	-	-	-	-

- (ii) Transfer of Long Service Corporation staff from Compensation Authorities Staff Division to Department of Finance and Services.

	CASD 01.07.2010 to 31.03.2011 \$'000	DFS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	2010 Total \$'000
Expenses				
Employee related	3,980	1,042	5,022	6,017
Total Expenses excluding losses	3,980	1,042	5,022	6,017
Revenue				
Sale of goods and services	3,980	1,042	5,022	6,017
Total Revenue	3,980	1,042	5,022	6,017
NET COST/ (SURPLUS) OF SERVICES	-	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	-	-	-	-
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	-

- (iii) Transfer of Board of Surveying and Spatial Information (BOSSI) staff from Land and Property Management Authority to Department of Finance and Services.

	LPMA 01.07.2010 to 31.03.2011 \$'000	DFS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	2010 Total \$'000
Expenses				
Employee related	270	41	311	359
Total Expenses excluding losses	270	41	311	359
Revenue				
Sale of goods and services	270	41	311	359
Total Revenue	270	41	311	359
NET COST/ (SURPLUS) OF SERVICES	-	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	-	-	-	-
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	-

- (iv) Transfer of Waste Asset Management Corporation (WAMC) staff from Land and Property Management Authority to Department of Finance and Services.

	LPMA 01.07.2010 to 31.03.2011 \$'000	DFS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	¹2010 Total \$'000
Expenses				
Employee related	1,100	995	2,095	-
Total Expenses excluding losses	1,100	995	2,095	-
Revenue				
Sale of goods and services	1,100	995	2,095	-
Total Revenue	1,100	995	2,095	-
NET COST/ (SURPLUS) OF SERVICES	-	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	-	-	-	-
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	-

¹WAMC was established in 2010/11 therefore there are no comparatives for 2009/10.

- (v) Transfer of housing staff within Department of Human Services (DHS) to Department of Finance and Services.

	DHS 01.07.2010 to 31.03.2011 \$'000	DFS 01.04.2011 to 30.06.2011 \$'000	2011 Total \$'000	² 2010 Total \$'000
Expenses				
Employee related	816	272	1,088	-
Total Expenses excluding losses	816	272	1,088	-
Revenue				
Sale of goods and services	816	272	1,088	-
Total Revenue	816	272	1,088	-
NET COST/ (SURPLUS) OF SERVICES	-	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	-	-	-	-
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	-

²Comparative information is not available.

10. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	232,640	144,237	230,178	142,437
Hour Glass Cash Facility	214,872	278,000	214,872	278,000
Motor vehicle reserve	28,723	44,934	28,723	44,934
	476,235	467,171	473,773	465,371

For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash at bank, deposit with TCorp, Cash Facility and Cash Plus Facility.

Cash assets recognised in the Statement of Financial Position are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Cash (per Statement of Financial Position)	476,235	467,171	473,773	465,371
Closing cash and cash equivalents (per Statement of Cash Flows)	476,235	467,171	473,773	465,371

11. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

	Consolidated		Department of Finance and Services	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Sale of goods and services	206,125	186,030	204,510	184,532
Less: Allowance for impairment	(979)	(1,308)	(979)	(1,308)
	205,146	184,722	203,531	183,224
Retained taxes, fees and fines	9,360	6,490	9,360	6,490
Less: Allowance for impairment	(4,288)	(2,638)	(4,288)	(2,638)
	5,072	3,852	5,072	3,852
Other	132	-	132	-
Less: Allowance for impairment	-	-	-	-
	132	-	132	-
Accrued bank interest	5,299	2,230	5,299	2,230
Long service leave reimbursable by the Crown Entity	50,760	49,812	50,760	49,812
Work in Progress(i)	28,441	35,748	28,441	35,748
Employee provisions recoverable from other agencies	10,566	2,212	10,566	2,212
Accrued income	11,864	9,274	11,864	9,274
Other	7,081	4,659	7,081	4,659
	324,361	292,509	322,746	291,011

	Consolidated		Department of Finance and Services	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<i>Movement in the allowance for impairment</i>				
Sale of goods and services - allowance for impairment				
Balance at July 1	1,308	2,998	1,308	2,998
Transfer in due to administration restructure	144	-	144	-
Amounts written off during the year	(198)	(2,528)	(198)	(2,528)
Amounts recovered during the year	(123)	(190)	(123)	(190)
Increase/(decrease) in allowance recognised in profit or loss	(152)	1,028	(152)	1,028
Balance at 30 June	979	1,308	979	1,308
Retained taxes, fees and fines - allowance for impairment				
Balance at July 1	2,638	2,518	2,638	2,518
Transfer in due to administration restructure	-	-	-	-
Amounts written off during the year	-	(1,197)	-	(1,197)
Increase/(decrease) in allowance recognised in profit or loss	1,650	1,317	1,650	1,317
Balance at 30 June	4,288	2,638	4,288	2,638

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 38.

(i) Work in Progress

The NSW Department of Finance and Services 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 \$3.2M (\$4.1M in 2010). At 30 June 2011, work in the ground was valued at \$94.7M (\$143.6M 2010) 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 AASB 111 *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 Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Gross work in progress as at 30 June	570,626	935,573	570,626	935,573
Billings to date	(539,017)	(895,770)	(539,017)	(895,770)
Net work in progress	31,609	39,803	31,609	39,803
Allowance for uncollectable work in progress	(3,168)	(4,055)	(3,168)	(4,055)
Work in progress as per Statement of Financial Position	28,441	35,748	28,441	35,748

Under the security of payment legislation, General Conditions of Contract AS 2124 and GC21 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 the Department of Finance and Services' bank account to facilitate the payment of contractor's claims. The Standard requires advances received from clients to be disclosed as a liability. Cash received against advance claims is estimated to be \$8.249M as at 30 June 2011 (\$1.1M as at June 2010).

Advance claims shown in the Statement of Financial Position as a current liability are as follows:

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Advance Claims as per Statement of Financial Position (refer Note 17)	35,817	63,536	35,817	63,536

12. CURRENT / NON-CURRENT ASSETS - INVENTORIES

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Current				
Finished goods - at cost	344	495	344	495
Motor vehicle inventory (ref Note 1(i))	2,802	5,777	2,802	5,777
	3,146	6,272	3,146	6,272
Non-current				
Finished goods - at cost	4,466	3,942	4,466	3,942

13. CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Financial assets				
TCorp Hour-Glass investment facilities	21,510	23,929	21,510	23,929

14. CURRENT / NON-CURRENT ASSETS - OTHER

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Current Assets				
Prepayments	7,916	4,302	7,735	4,244
Deferred tax assets	708	555	-	-
Other	15	-	15	-
	8,639	4,857	7,750	4,244
Non-Current Assets				
Other receivables	9,132	-	9,132	-
Investments (i) & (ii)	24	-	24	-
Deferred tax assets	819	711	-	-
	9,975	711	9,156	-

(i) The Department represents the NSW Government on the Board of PSMA Ltd. The Department holds one share, but does not have control or significant influence on the policy and operations of PSMA Ltd. The Investment is disclosed at the cost of one dollar.

(ii) The Department holds 1,666,667 ordinary shares in the capital of National E-Conveyancing Development Limited on behalf of the State of New South Wales, but does not have control or significant influence on the policy and operations of National E-Conveyancing Development Limited.

15. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

As at 30 June

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Land and Buildings				
At fair value	111,330	21,600	111,330	21,600
Accumulated depreciation and impairment	(2,146)	(171)	(2,146)	(171)
	109,184	21,429	109,184	21,429
Plant and Equipment(i)				
At fair value	972,804	781,961	970,947	781,015
Accumulated depreciation and impairment	(349,664)	(171,602)	(349,049)	(171,381)
	623,140	610,359	621,898	609,634
Leasehold Improvements				
At fair value	48,871	28,880	41,653	24,241
Accumulated depreciation and impairment	(19,153)	(5,575)	(16,024)	(4,476)
	29,718	23,305	25,629	19,765
Total Property, Plant and Equipment at Net Carrying Amount	762,042	655,093	756,711	650,828

(i) Includes StateFleet Motor Vehicles net book value \$529.2M (\$523.9M 2009/10)

Reconciliation - Consolidated Entity

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

Year Ended 30 June	Land and Buildings \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
2011 - Consolidated Entity				
Carrying amount at start of year	21,429	610,359	23,305	655,093
Assets transferred on administrative restructure	84,229	22,075	3,222	109,526
Additions	981	285,156	8,159	294,296
Disposals	-	(123,620)	-	(123,620)
Revaluation increments	3,103	-	-	3,103
Depreciation expense	(558)	(167,500)	(4,968)	(173,026)
Transfer Out (other Agencies)	-	(126)	-	(126)
Reclassifications / write off	-	(3,204)	-	(3,204)
Carrying amount at end of year	109,184	623,140	29,718	762,042
Year Ended 30 June	Land and Buildings \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
2010 - Consolidated Entity				
Carrying amount at start of year	-	-	-	-
Assets transferred - administrative restructure	21,600	620,660	22,906	665,166
Additions	-	295,205	5,974	301,179
Disposals	-	(129,047)	-	(129,047)
Depreciation expense	(171)	(171,602)	(5,575)	(177,348)
Reclassifications / write off	-	(4,857)	-	(4,857)
Carrying amount at end of year	21,429	610,359	23,305	655,093

Reconciliation - Parent Entity

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

Year Ended 30 June	Land and Buildings \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
2011 - Parent Entity				
Carrying amount at start of year	21,429	609,634	19,765	650,828
Assets transferred on administrative restructure	84,229	22,075	3,222	109,526
Additions	981	284,336	6,074	291,391
Revaluation increments	3,103	-	-	3,103
Disposals	-	(123,620)	-	(123,620)
Depreciation expense	(558)	(167,197)	(3,432)	(171,187)
Transfer Out (other Agencies)	-	(126)	-	(126)
Reclassifications / write off	-	(3,204)	-	(3,204)
Carrying amount at end of year	109,184	621,898	25,629	756,711
Year Ended 30 June	Land and Buildings \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
2010 - Parent Entity				
Assets transferred on administrative restructure	21,600	620,028	20,710	662,338
Additions	-	294,891	3,531	298,422
Disposals	-	(129,047)	-	(129,047)
Depreciation expense	(171)	(171,381)	(4,476)	(176,028)
Reclassifications / write off	-	(4,857)	-	(4,857)
Carrying amount at end of year	21,429	609,634	19,765	650,828

16. INTANGIBLE ASSETS

As at 30 June

	Consolidated		Department of Finance and Services	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Software				
Gross carrying amount	318,449	66,654	318,449	66,654
Accumulated amortisation and impairment	(203,005)	(12,987)	(203,005)	(12,987)
Net carrying amount	115,444	53,667	115,444	53,667

Reconciliation - Consolidated Entity

Reconciliations of the carrying amounts of each class intangible assets at the beginning and end of the current reporting period are set out below:

	Software \$'000	Total \$'000
Year Ended 30 June		
2011 - Consolidated Entity		
Carrying amount at start of year	53,667	53,667
Assets transferred on administrative restructure	59,393	59,393
Additions	21,159	21,159
Amortisation	(16,422)	(16,422)
Transfers	(608)	(608)
Reclassifications / write off	(1,745)	(1,745)
Carrying amount at end of year	115,444	115,444

	Software \$'000	Total \$'000
Year Ended 30 June		
2010 - Consolidated Entity		
Assets transferred on administrative restructure	51,058	51,058
Additions	16,516	16,516
Amortisation	(920)	(920)
Reclassifications / write off	(12,987)	(12,987)
Carrying amount at end of year	53,667	53,667

Reconciliation - Parent Entity

Reconciliations of the carrying amounts of each class intangible assets at the beginning and end of the current reporting period are set out below:

	Software \$'000	Total \$'000
Year Ended 30 June		
2011 - Parent Entity		
Carrying amount at start of year	53,667	53,667
Assets transferred on administrative restructure	59,393	59,393
Additions	21,159	21,159
Depreciation expense	(16,422)	(16,422)
Transfers out	(608)	(608)
Reclassifications / write off	(1,745)	(1,745)
Carrying amount at end of year	115,444	115,444

	Software \$'000	Total \$'000
Year Ended 30 June		
2010 - Parent Entity		
Assets transferred on administrative restructure	51,058	51,058
Additions	16,516	16,516
Depreciation expense	(920)	(920)
Reclassifications / write off	(12,987)	(12,987)
Carrying amount at end of year	53,667	53,667

17. CURRENT LIABILITIES - PAYABLES

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Accrued salaries, wages and on-costs	15,932	10,518	15,932	10,518
Creditors	108,504	107,128	106,884	106,459
Advance claims (refer Note 11)	35,817	63,536	35,817	63,536
Amounts due to contractors for work in progress (refer Note 11)	94,711	143,613	94,711	143,613
Other	39,451	25,073	39,451	24,669
	294,415	349,868	292,795	348,795

18. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Current Liabilities				
TCorp borrowings	214,236	224,173	212,665	222,857
Non-Current Liabilities				
TCorp borrowings	331,635	317,818	331,635	317,818
Other borrowings	2,659	2,275	-	-
	334,294	320,093	331,635	317,818
Total Borrowings	548,530	544,266	544,300	540,675

The Department has a loan facility with TCorp with a limit of \$650M to fund the StateFleet 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 \$544.3M (parent entity) was utilised as at 30 June 2011 (\$540.7M, 30 June 2010).

19. CURRENT LIABILITIES - PROVISIONS

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Employee benefits and related on-costs				
Recreation leave	41,135	25,260	40,883	25,023
Long service leave	93,335	50,140	93,235	50,081
Other on-costs	21,538	12,289	21,538	12,289
	156,008	87,689	155,656	87,393
Other Provisions				
Provision for outstanding claims	2,615	2,884	2,615	2,884
Other minor provisions	300	-	256	-
	2,915	2,884	2,871	2,884
Total Current Provisions	158,923	90,573	158,527	90,277
Aggregate employee benefits and related on-costs				
Provisions - current	156,008	87,689	155,656	87,393
Accrued salaries, wages and on-costs (Note 17)	15,932	10,518	15,932	10,518
	171,940	98,207	171,588	97,911
Employee benefits expected to be settled within 12 months from the reporting date				
Recreation leave	39,997	21,648	39,745	21,411
Long service leave	17,455	10,012	17,385	10,012
	57,452	31,660	57,130	31,423
Employee benefits expected to be settled in more than 12 months from the reporting date				
Recreation leave	1,138	3,612	1,138	3,612
Long service leave	75,880	40,128	75,850	40,069
	77,018	43,740	76,988	43,681
Movements in provisions (other than employee benefits)				
Movements in each class of provision during the financial year, other than employee benefits are set out below:				
Provision for outstanding claims				
Carrying amount as at beginning of the year	2,884	2,736	2,884	2,736
Increase/(decrease) in provision from remeasurement	(269)	148	(269)	148
Carrying amount at end of financial year	2,615	2,884	2,615	2,884
Other provisions				
Carrying amount as at beginning of the year	-	-	-	-
Increase/(decrease) in provision from remeasurement	300	-	300	-
Carrying amount at end of financial year	300	-	300	-

20. CURRENT / NON-CURRENT LIABILITIES - OTHER

	Consolidated		Department of Finance and Services	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current Liabilities				
Contribution to NSW Treasury	42,579	20,000	42,579	20,000
Excess Consolidated Fund draw down	1,884	1,592	1,884	1,592
	44,463	21,592	44,463	21,592
Other creditors and accruals	438	1,846	438	1,665
Other	1,577	-	1,317	-
Deferred tax liabilities	478	422	-	-
	2,493	2,268	1,755	1,665
	46,956	23,860	46,218	23,257
Non Current Liabilities				
Unfunded superannuation	278,320	127,159	278,320	127,159
Deferred tax liabilities	748	845	-	-
Other	1,180	363	929	363
	280,248	128,367	279,249	127,522

21. UNFUNDED / PREPAID SUPERANNUATION

Accounting Policy

Actuarial gains and losses are recognised immediately in Other Comprehensive Income in the year in which 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 derived 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 2011 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligations at beginning of the year	168,990	53,702	1,319,842	1,542,534
Current service cost	5,099	2,393	6,505	13,997
Interest cost	8,426	2,635	66,943	78,004
Contributions by fund participants	2,760	-	8,098	10,858
Actuarial (gains)/losses	1,992	112	(12,292)	(10,188)
Benefits paid	(6,592)	(3,991)	(48,795)	(59,378)
Business combinations	2,459	603	13,352	16,414
Present value of defined benefit obligations at end of the year	183,134	55,454	1,353,653	1,592,241

Comparative information as at 30 June 2010 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligations at beginning of the year	111,217	28,731	753,409	893,357
Current service cost	3,312	1,371	4,155	8,838
Interest cost	6,032	1,538	41,158	48,728
Contributions by fund participants	1,853	-	3,954	5,807
Actuarial (gains)/losses	6,246	2,048	47,675	55,969
Benefits paid	(4,644)	(2,582)	(28,217)	(35,443)
Present value of defined benefit obligations at end of the year	124,016	31,106	822,134	977,256

Reconciliation of the Fair Value of Fund Assets

A reconciliation of the fair value of fund assets for the financial year to 30 June 2011 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Fair value of fund assets at beginning of the year	154,123	51,230	1,029,772	1,235,125
Expected return on fund assets	12,810	4,215	86,685	103,710
Actuarial gains/(losses)	1,587	(49)	1,134	2,672
Employer contributions	1,775	1,004	6,365	9,144
Contributions by fund participants	4,710	-	8,097	12,807
Benefits paid	(8,543)	(3,993)	(49,490)	(62,026)
Business combinations	2,775	635	10,727	14,137
Fair value of fund assets at end of the year	169,237	53,042	1,093,290	1,315,569

Comparative information as at 30 June 2010 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Fair value of fund assets at beginning of the year	104,972	30,159	670,625	805,756
Expected return on fund assets	8,738	2,486	56,184	67,408
Actuarial gains/(losses)	1,497	204	5,131	6,832
Employer contributions	-	-	184	184
Contributions by fund participants	1,854	-	3,954	5,808
Benefits paid	(4,644)	(2,582)	(28,217)	(35,443)
Fair value of fund assets at end of the year	112,417	30,267	707,861	850,545

Reconciliation of Assets and Liabilities

A summary of assets and liabilities recognised in the Statement of Financial Position as at 30 June 2011 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of partly funded defined benefit obligation at end of year	183,136	55,454	1,353,652	1,592,242
Fair value of fund assets at end of year	(169,239)	(53,043)	(1,093,291)	(1,315,573)
Sub Total	13,897	2,411	260,361	276,669
Adjustment for limitation on net asset	1,375	276	-	1,651
Net (asset)/liability (refer Note 20)	15,272	2,687	260,361	278,320

Comparative information as at 30 June 2010 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of partly funded defined benefit obligation at end of year	124,016	31,106	822,134	977,256
Fair value of fund assets at end of year	(112,417)	(30,267)	(707,861)	(850,545)
Sub Total	11,599	839	114,273	126,711
Adjustment for limitation on net asset	-	-	-	-
Net (asset)/liability (refer Note 20)	11,599	839	114,273	126,711

Expense Recognised in Comprehensive Income Statement

Total expense recognised in Comprehensive Income Statement for the period 1 July 2010 to 30 June 2011 is summarised below:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Current service cost	1,692,293	2,423	6,516	1,701,232
Interest cost	2,149,284	2,667	67,614	2,219,565
Expected return on fund assets (net of expenses)	(3,384,432)	(4,270)	(87,566)	(3,476,268)
Total as per SASS statement	457,145	820	(13,436)	444,529
Employer Contributions	-	-	-	-
Expense/(income) recognised	457,145	820	(13,436)	444,529

Comparative information as at 30 June 2010 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Current service cost	3,313	1,371	4,155	8,839
Interest cost	6,031	1,538	41,158	48,727
Expected return on fund assets (net of expenses)	(8,738)	(2,487)	(56,184)	(67,409)
Expense/(income) recognised	606	422	(10,871)	(9,843)

Amount Recognised in Other Comprehensive Income

Total amount recognised in Other Comprehensive Income during 2011 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actuarial losses/(gains) recognised in year	441	133	(13,302)	(12,728)
Adjustment for limit on net asset	1,375	276	-	1,651
	1,816	409	(13,302)	(11,077)

Comparative information as at 30 June 2010 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actuarial losses/(gains) recognised in year	4,749	1,844	42,543	49,136
Adjustment for limit on net asset	-	-	-	-
	4,749	1,844	42,543	49,136

Cumulative Amount Recognised in Other Comprehensive Income

Cumulative amount of actuarial gain and losses recognised in the Statement of Comprehensive Income during 2010/11 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Cumulative amount of actuarial (gains)/losses	8,143	2,123	213,699	223,965
Cumulative adjustment for limitation on net asset	1,375	276	-	1,651

Comparative information as at 30 June 2010 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Cumulative amount of actuarial (gains)/losses	7,680	1,981	226,613	236,274
Cumulative adjustment for limitation on net asset	-	-	-	-

Fund Assets

The percentage invested in each asset class at the Statement of Financial Position date:

	30 June 2011	30 June 2010
Australian equities	33.4%	31.0%
Overseas equities	29.5%	26.8%
Australian fixed interest securities	5.7%	6.1%
Overseas fixed interest securities	3.1%	4.3%
Property	9.9%	9.5%
Cash	5.1%	9.6%
Other	13.3%	12.7%

Fair Value of Fund Assets

All Fund assets are invested by Superannuation Trustee Corporation 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 2011 is provided below:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actual return on fund assets	13,196	4,220	86,795	104,211

Comparative figures for the year ended 30 June 2010 are as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Actual return on fund assets	9,767	2,691	60,650	73,108

Valuation Method and Principal Actuarial Assumptions at the Statement of Financial Position 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 2011	30 June 2010
Salary increase rate (excluding promotional increases)	3.5% per annum	3.5% per annum
Rate of CPI increase	2.5% per annum	2.5% per annum
Expected rate of return on assets	8.60% per annum	8.60% per annum
Discount rate	5.28% per annum	5.17% per annum

c) Demographic Assumptions

The demographic assumptions at 30 June 2011 are those that were used in the 2009 triennial actuarial valuation. The triennial review report will be available from the NSW Treasury website.

Historical Information

Historical information for the current and previous four annual reporting periods are to be reported. However, as this is the second reporting period for the Department of Finance and Services, only the current and prior year information is provided below:

2010/11	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligation	183,134	55,454	1,353,653	1,592,241
Fair value of fund assets	169,237	53,042	1,093,290	1,315,569
(Surplus)/Deficit in Fund	15,272	2,687	260,361	278,320
Experience adjustments - fund liabilities	2,057	80	(13,358)	(11,221)
Experience adjustments - fund assets	(1,634)	53	(740)	(2,321)

2009/10	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligation	124,017	31,106	822,134	977,257
Fair value of fund assets	(112,417)	(30,267)	(707,861)	(850,545)
(Surplus)/Deficit in Fund	11,600	839	114,273	126,712
Experience adjustments - fund liabilities	6,246	2,048	47,675	55,969
Experience adjustments - fund assets	(1,497)	(204)	(5,131)	(6,832)

Expected Contributions

Expected employer contributions to be paid in the next reporting period are as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Expected contributions	164	93	582	839

Funding Arrangements for Employer Contributions

a) Surplus/(Deficit)

The following is a summary of the 30 June 2011 financial position of the Fund calculated in accordance with AAS 25 - Financial Reporting by Superannuation Plans.

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Accrued benefit	167,737	51,079	972,713	1,191,529
Net market value of Fund assets	(169,237)	(53,043)	(1,093,291)	(1,315,571)
Net (surplus)/deficit	(1,500)	(1,964)	(120,578)	(124,042)

Comparative figures as at 30 June 2010 are as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Accrued benefit	111,926	28,279	584,936	725,141
Net market value of Fund assets	(112,417)	(30,267)	(707,861)	(850,545)
Net (surplus)/deficit	(491)	(1,988)	(122,925)	(125,404)

b) Contribution Recommendations

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
Multiple of member contributions	Percentage member salary	Multiple of member contributions
0%	0%	0%

During 2010/11 the commercial business units of the Department, including NSW Public Works and NSW Procurement, were on a contribution holiday. This is expected to continue for the 2011/12 financial year.

c) Funding Method

Contribution rates are set after discussions between the employer, SAS Trustees Corporation and NSW Treasury.

d) Economic Assumptions

The economic assumptions to be adopted for the 2009 actuarial review of the Fund are:

Weighted Average Assumptions	
Expected rate of return on Fund assets backing pension liabilities	8.3% per annum
Expected rate of return on Fund assets backing other liabilities	7.3% per annum
Expected salary increase rate	4.0% per annum
Expected rate of CPI increase	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.

22. INCREASE/DECREASE IN NET ASSETS FROM EQUITY TRANSFERS

Following is a summary of assets and liabilities transferred to and from the Department of Finance and Services on 1 April 2011. Details of the programs transferred are set out in Note 9.

AS AT 1 APRIL 2011													
ASSETS AND LIABILITIES	Land & Property Information \$'000	Office of State Revenue \$'000	Corporate and Shared Services Reform Program \$'000	Board of Surveying & Spatial Information \$'000	Waste Asset Mngt Corporation \$'000	State Property Authority \$'000	Long Service Corporation \$'000	Metro Water \$'000	Certain Housing Staff (Dept of Human Services) \$'000	Strategic Comms & Govt Advertising \$'000	Retail Tenancy Unit \$'000	Other (1) \$'000	Total \$'000
Current Assets													
Cash and cash equivalents	76,985	26,006	-	-	-	-	-	12,597	-	-	(73)	-	115,515
Receivables	3,981	6,333	113	60	2,311	12,923	4,742	-	-	(4,324)	(6)	-	26,133
Inventories	139	-	-	-	-	-	-	-	-	-	-	-	139
Financial assets at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	2,977	6,656	534	-	-	-	-	-	-	-	-	-	10,167
Total Current Assets	84,082	38,995	647	60	2,311	12,923	4,742	12,597	-	(4,324)	(79)	-	151,954
Non Current Assets													
Inventories	1,401	-	-	-	-	-	-	-	-	-	-	-	1,401
Property, plant and equipment	98,887	10,639	-	-	-	-	-	-	-	(24)	(2)	(100)	109,400
Intangibles	30,272	26,004	3,117	-	-	-	-	-	-	-	-	(608)	58,785
Other	-	256	-	-	-	-	-	-	-	-	-	-	256
Total Non Current Assets	130,560	36,899	3,117	-	-	-	-	-	-	(24)	(2)	(708)	169,842
TOTAL ASSETS	214,642	75,894	3,764	60	2,311	12,923	4,742	-	-	(4,348)	(81)	(708)	321,796
Current Liabilities													
Payables	29,867	4,110	60	(37)	911	77	-	15,902	-	(3,327)	(38)	-	47,525
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	51,887	9,614	53	97	1,407	4,422	2,143	110	-	(867)	(43)	-	68,823
Other	5,798	605	-	-	-	-	-	-	-	-	-	-	6,403
Total Current Liabilities	87,552	14,329	113	60	2,318	4,499	2,143	16,012	-	(4,194)	(81)	-	122,751
Non Current Liabilities													
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	170,355	118	-	-	(7)	8,424	2,599	-	-	-	-	-	181,489
Total Non Current Liabilities	170,355	118	-	-	(7)	8,424	2,599	-	-	-	-	-	181,489
TOTAL LIABILITIES	257,907	14,447	113	60	2,311	12,923	4,742	16,012	-	(4,194)	(81)	-	304,240
NET ASSETS	(43,265)	61,447	3,651	-	-	-	-	(3,415)	-	(154)	-	(708)	17,556

(1) Transfer of HSNET assets to Department of Human Services \$647,000 (1 May 2011) and transfer Trade Measurement heritage assets to Power House Museum \$61,000 (21 March 2011).

23. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Aggregate capital expenditure for the acquisition of information technology equipment and other equipment contracted for at balance date and not provided for:				
Not later than one year	3,777	8,524	3,777	8,524
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	3,777	8,524	3,777	8,524

(b) Other Expenditure Commitments

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Aggregate other contracted for at balance date and not provided for:				
Not later than one year	38,088	8,443	37,909	8,390
Later than one year and not later than five years	5,019	83	4,741	-
Later than five years	-	-	-	-
Total (including GST)	43,107	8,526	42,650	8,390

(c) Operating Lease Commitments

	Consolidated		Department of Finance and Services	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	36,411	28,740	35,510	28,144
Later than one year and not later than five years	98,062	85,734	96,033	83,831
Later than five years	81,080	110,819	81,080	110,819
Total (including GST)	215,553	225,293	212,623	222,794

The total commitments above include input tax credits of \$23.9M (\$22M in 2010) that are expected to be recovered from the Australian Taxation Office.

The Department has entered into operating lease agreements with government agencies and private companies for provision of accommodation and plant and equipment for the Department's use.

Property Leases

Accommodation leases are entered into with the State Property Authority and private sector companies. The term of accommodation leases range from two to ten 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.

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.

24. LEASE REVENUE COMMITMENTS

	Consolidated		Department of Finance and Services	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Aggregate lease revenue for StateFleet motor vehicles:				
Not later than one year	154,401	43,814	154,401	43,814
Later than one year and not later than five years	113,796	222,191	113,796	222,191
Later than five years	44	-	44	-
Total (including GST)	268,241	266,005	268,241	266,005

The above lease commitment includes GST of \$24.4M (\$24.2M in 2010) that is expected to be paid to the Australian Taxation Office.

The NSW Government introduced the StateFleet Leasing Arrangement in 2003 for the provision of passenger and commercial motor vehicles to budget sector and other approved agencies.

All new motor vehicles delivered to the approved client agencies are financed under the StateFleet Leasing Arrangement. This arrangement is financed by the NSW Treasury Corporation and managed by StateFleet.

The lease agreement is a long term rental arrangement which provides clients with a vehicle in return for a fixed monthly payment. StateFleet retains all the capital risks and costs associated with ownership of vehicle. When the client returns the vehicle there is no residual liability on sale.

25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Consolidated		Department of Finance and Services	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Liabilities				
Estimated legal liability	366	200	366	200
Assets				
Bank guarantees	2,350	-	2,350	-

(a) Insurance claims

The Department may be liable for payment of compensation arising from claims and other matters subject to litigation. The amounts involved cannot be accurately determined and in some instances are subject to arbitration. These claims are covered by the Treasury Managed Fund.

(b) Bank Guarantees

The Department holds bank guarantees from certain suppliers and customers. The Department may choose to exercise these guarantees, in case of breach of contract.

26. BUDGET REVIEW

Net Cost of Services

Actual net cost of services for the Department for 2010/11 is \$202M compared to the budget of \$254.3M, a favourable variance of \$52.3M. The improvement is mainly attributed to a favourable variance of \$18.2M from the profit on sale of motor vehicles, savings of \$7.9M from the superannuation contribution holiday and \$3.8M from interest income. In addition, better than budgeted operating results across various Divisions of the Department contributed to the favourable variance.

Assets and Liabilities

The Department's total assets as at 30 June 2011 were \$1,714.7M compared to the original budget of \$1,800.9M. The decrease is attributed to a decrease in current assets, mainly cash and cash equivalents, partly offset by a reduction in non-current assets. Total liabilities were \$102.5M lower than the original budget of \$1,423.5M, due to decreases in current liabilities by \$97.6M and non-current liabilities by \$4.9M.

Cash Flows

Net decrease in cash during the year is \$107.1M compared to a budgeted net decrease in cash of \$10.6M. A major factor contributing to the unfavourable variance is due to a reduction in StateFleet motor vehicle cash reserves of \$50M as a result of cash transfer to NSW Treasury. In addition, cash flow from operating activities was approximately \$167.8M lower than budget. The above unfavourable variances were partly offset by favourable variance in cash flow from financing activities, mainly due to lower than budgeted net borrowings for StateFleet motor vehicles.

27. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	Consolidated		Department of Finance and Services	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Net cash used on operating activities	(55,397)	(159,796)	(52,469)	(158,871)
Cash Flows from Government / Appropriations	168,328	85,491	168,328	85,491
Depreciation	189,448	190,335	187,609	189,015
(Decrease)/increase in provisions	21,721	(33,310)	21,717	(33,376)
(Increase)/decrease in Work in Progress	6,613	(4,832)	6,613	(4,832)
(Increase)/decrease in debtors and prepayments	11,240	(10,836)	11,595	(10,054)
Increase/(decrease) in advance billings	(27,499)	5,666	(27,719)	5,666
Increase/(decrease) in creditors	(92,385)	44,318	(93,047)	44,089
Net (gain)/loss on sale of plant and equipment	(20,562)	(26,582)	(20,562)	(26,582)
Net cost of services	201,507	90,454	202,065	90,546

28. TRUST FUNDS

(a) Funeral Fund

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 Finance and Services	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Funeral Fund				
Cash balance at the beginning of the financial year	111	111	111	111
Cash balance at the end of the financial year	111	111	111	111

There were no transactions in this account during the year.

(b) Retail Tenancy Trust Fund

The Department holds money in the Retail Leases Security Bonds Trust and Interest Accounts with NSW Treasury Corporation. Retail lease Security Bonds are lodged with the Director-General of DFS in accordance with Section 16C of the Retail Leases Act 1994. As from 1 April 2011, as part of an administrative restructure, this fund was transferred to the Department of Trade and Investment, Regional Infrastructure and Services. These monies are excluded from the financial statements of the Department as the Department cannot use them for the achievement of its objectives other than the recovery of expenses relating to administration of the Retail Leases Act. The following is a summary of the transactions in the trust account:

	Interest Account \$'000	Trust Account \$'000	2011 Total \$'000	2010 Total \$'000
Cash balance at the beginning of the financial year	4,148	112,026	116,174	99,828
Add: Bond lodgements	-	21,645	21,645	32,679
Adjustment for June 2010 balance posted in July 2010	-	2	2	-
Interest Revenue	4,928	-	4,928	4,735
Less: Bonds released	-	(16,005)	(16,005)	(19,589)
Interest paid	-	(1)	(1)	-
Adjustment for rounding of TCorp Deposits	-	(29)	(29)	-
Transfer to Department to administer Retail Leases Act 1994	(1,183)	-	(1,183)	(1,479)
Balance 1 April 2011	7,893	117,638	125,531	
Transfer to Department of Trade and Investment, Regional Infrastructure and Services on administrative restructure	(7,893)	(117,638)	(125,531)	-
Cash balance at the end of the financial year	-	-	-	116,174

Retail Tenancy Bonds are held as follows:

	2011 \$'000	2010 \$'000
Cash at bank	-	1,118
TCorp Hour-Glass Facility	-	115,056
	-	116,174

(c) Land Acquisition (Just Terms Compensation) Trust

Under Section 51 of the *Land Acquisition (Just Terms Compensation) Act 1991* the Department is required to pay any unpaid compensation into a Trust Account. 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 Finance and Services	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Land Acquisition (Just Terms Compensation) Act				
Cash balance at the beginning of the financial year	267	267	267	267
Cash balance at the end of the financial year	267	267	267	267

There were no transactions in this account during the year.

(d) **Unclaimed Money trust accounts**

	Testamentary & Trust Common Fund 2011 \$'000	Testamentary & Trust Interest 2011 \$'000	Companies Liquidation 2011 \$'000	Total 2011 \$'000
Cash balance transferred at 1 April 2011	4,342	9,015	17	13,374
Add: Receipts	-	-	-	-
Less: Expenditure	(1)	-	-	(1)
Transfers to Crown	-	-	-	-
Cash balance at the end of the financial year	4,341	9,015	17	13,373

(e) **State Debt Recovery Office (SDRO) client funds account - fines**

	2011 \$'000
Cash balance transferred at 1 April 2011	15,117
Add: Receipts	33,912
Less: Payments	(32,388)
Cash balance at the end of the financial year	16,641

Funds held in this account represent amounts collected on behalf of clients. These funds are remitted to clients in the month following collection.

(f) **SDRO public monies accounts - fines**

	2011 \$'000
Cash balance transferred at 1 April 2011	17,828
Add: Receipts	44,539
Less: Payments	(45,250)
Cash balance at the end of the financial year	17,117

Amounts held in the Public Monies account for the SDRO represent receipts collected during the debt management process, on behalf of clients that are remitted in the month following receipt.

29. SPECIAL PURPOSE FUNDS ADMINISTERED BY THE DEPARTMENT

These trusts are included within DFS' Statement of Financial Position.

As at 30 June 2011

	Motor Dealers Compensation Fund \$'000	Property Services Compensation Fund \$'000	Statutory Interest Account \$'000	Home Building Administration Fund \$'000	Entertainment Industry Bonds \$'000	George Proudman Stonemasonry Fellowship Trust \$'000
Balance as at the beginning of the year	1,606	25,827	89,775	2,325	176	91
Receipts	774	4,004	45,113	13,192	40	4
Expenditure - Administrative	(765)	(8,059)	(24,293)	(10,641)	(38)	-
Expenditure - Capital	-	-	(1,368)	-	-	-
Balance as at the end of the year	1,615	21,772	109,227	4,876	178	95

Comparative information as at 30 June 2010 is as follows:

	Motor Dealers Compensation Fund \$'000	Property Services Compensation Fund \$'000	Statutory Interest Account \$'000	Home Building Administration Fund \$'000	Entertainment Industry Bonds \$'000	George Proudman Stonemasonry Fellowship Trust \$'000
Balance as at the beginning of the year	1,435	26,239	83,657	5,410	186	74
Receipts	705	4,170	30,394	6,878	20	17
Expenditure - Administrative	(534)	(4,582)	(23,182)	(9,963)	(30)	-
Expenditure - Capital	-	-	(1,094)	-	-	-
Balance as at the end of the year	1,606	25,827	89,775	2,325	176	91

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 Real Estate 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.

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.

The initiative to set up the **George Proudman Stonemasonry Fellowship Trust** was undertaken in 2000 with \$20,000 contributions from the Department of Education and Training, the Department of Planning, DSTA and friends of Mr Proudman. Funds will be used for two Fellowships for two stonemasons to undertake successive overseas study tours.

30. ADMINISTERED ASSETS - RECEIVABLES

(a) Tax Receivables

Assets administered by OSR for the Crown Entity are primarily tax and fine receivables. They are not recognised in the Statement of financial position.

	2011 \$'000
Current amounts	206,733
Instalment amounts	20,782
Appeals and objection amounts	599,445
Overdue amounts	273,342
	1,100,302
Less: allowance for impairment	(167,018)
Net receivables	933,284

The receivables above represent taxes and interest owed by clients at the close of business on 30 June 2011 and exclude any credit balances, which are disclosed separately in Note 32. Accrued interest on receivables is not classified as overdue.

Current and Instalment Amounts

The following is a summary of receivable balances by tax type:

	Current 2011 \$'000	Instalments 2011 \$'000	Appeals and objections 2011 \$'000	Total 2011 \$'000	Allowance for impairment 2011 \$'000	Net 2011 \$'000
Duties (ii)	90,938	-	573,292	664,230	(142,772)	521,458
Payroll tax	32,997	-	8,854	41,851	(4,008)	37,843
Land tax	73,226	16,002	15,965	105,193	(86)	105,107
Parking space levy	7,333	-	1,019	8,352	(217)	8,135
Club gaming devices (i)	1,736	4,780	-	6,516	(20)	6,496
Hotel gaming devices (i)	134	-	-	134	(37)	97
Insurance protection tax	-	-	46	46	-	46
First Home Owner Grant	369	-	269	638	-	638
Total receivables	206,733	20,782	599,445	826,960	147,140	679,820

(i) Approved clubs and hotels can pay their quarterly gaming machine tax in three equal instalments without being charged interest for the late payment. The scheme aims to assist those demonstrating financial hardship.

(ii) Duties appeals and objections includes an assessment totalling \$573.2M consisting of \$258.9M assessed duty and \$298M accrued interest which is subject to appeal in the Supreme Court. An allowance for impairment of \$142.6M has been recognised.

Overdue Amounts

	Less than 30 days 2011	30- 90 days 2011	Greater than 90 days 2011	Total 2011	Allowance for impairment(i) 2011	Net 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Duties	3,217	1,856	15,034	20,107	(3,484)	16,623
Payroll tax	5,420	10,247	45,829	61,496	(13,922)	47,574
Land tax	10,840	22,726	147,805	181,371	(885)	180,486
Parking space levy	7	256	1,915	2,178	(185)	1,993
Club gaming devices	3,987	66	946	4,999	(574)	4,425
Hotel gaming devices	-	13	275	288	(81)	207
First Home Owner Grant	313	410	2,180	2,903	(747)	2,156
Total receivables	23,784	35,574	213,984	273,342	(19,878)	253,464

(i) The allowance for impairment relates to matters primarily greater than 90 days overdue.

Recovery of receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). Interest is charged on overdue receivables in accordance with S22 of the Tax Administration Act 1996. The carrying amount approximates fair value.

Debt recovery action may result in negotiated payment arrangements or the initiation of legal debt recovery procedures, if clients are unwilling to pay.

Land Tax

Under the Land Tax Management Act 1956, a charge is held over land owned by taxpayers for unpaid land tax. If normal recovery procedures have been unsuccessful, a caveat is generally registered on the title until the debt is paid.

(b) **Fine Receivables (SDRO)**

2011

	Crown \$'000	Commercial \$'000	Total \$'000
Balance	762,062	320,331	1,082,393
Write off adjustment	(181,401)	(106,388)	(287,789)
	580,661	213,943	794,604
Less: Amounts not meeting asset recognition criteria (i)	(366,691)	(120,653)	(487,344)
Net Receivables	213,970	93,290	307,260

- (i) An estimate is prepared each year of amounts considered not to meet asset recognition criteria as no economic benefit is reasonably likely to be realised. The estimate is based on the age of the receivable, the receivables classification (eg parking, speeding, court issued, fees etc), active time to pay arrangements and past recovery experience.
- (ii) An amount of \$1.12M to be repaid to State Debt Recovery Office is not included in the above figures.

The following is a summary of receivable balances by year of enforcement and type at 30 June 2011:

Type	Pre 2008 \$'000	2008 \$'000	2009 \$'000	2010 \$'000	2011 \$'000	Total \$'000	Amounts not meeting asset recognition criteria \$'000	Net \$'000
Crown								
Motor traffic	160,897	30,480	38,064	44,844	86,274	360,559	213,578	146,981
Court	70,247	9,772	9,450	9,143	23,212	121,824	80,858	40,966
Fees	22,503	7,538	8,902	11,995	22,959	73,897	50,842	23,055
Other	6,616	2,469	4,833	4,245	6,218	24,381	21,413	2,968
Crown total	260,263	50,259	61,249	70,227	138,663	580,661	366,691	213,970
Commercial (i)	68,560	19,316	24,052	38,676	63,339	213,943	120,653	93,290
Total owing	328,823	69,575	85,301	108,903	202,002	794,604	487,344	307,260

- (i) Includes amounts administered on behalf of local councils, fees payable to the RTA and Attorney Generals' Department.

\$287.8M of fine receivables approved for write off have been brought to account in the above figures and will be written off in the subsidiary ledger in 2011/12.

(c) **Other Receivables**

	2011	2010
	\$'000	\$'000
Home building fees	152	129
Business registrations	10	11
Trade measurement	-	27
Other	-	7
Total Administered Assets	162	174

Aged Analysis of Other Receivables

	2011	2010
	\$'000	\$'000
Current	8	51
Between 30 days and 59 days old	12	8
Between 60 days and 89 days old	21	8
Over 90 days old	121	107
Total Administered Assets	162	174

31. OTHER ADMINISTERED ASSETS AND LIABILITIES

	2011	2010
	\$'000	\$'000
Administered Assets		
Licensing Fees	1,302	1,108
Administered Liabilities		
Liability to Consolidated Fund	1,302	1,108

32. ADMINISTERED LIABILITIES

Credit balances against tax receivables have not been netted off against the receivables reported in Note 30 and are required to be shown separately as administered liabilities.

	2011
	\$'000
Duties	3,960
Payroll tax	2,107
Land tax	8,310
Parking space levy	91
Hotel gaming devices	7
First Home Owners Grant Scheme	40
Totalizator gaming devices	39
Fines	2
Total administered liabilities	14,556

The credit balances above are primarily matters awaiting final assessments pending receipt of additional information. Credit situations are also created where taxes are paid in advance or overpayments are to be refunded to clients. Credit balances for fines represent overpayments.

33. ADMINISTERED INCOME - DEBTS WRITTEN OFF / REMISSIONS

(a) Debts written off

	2011	
	Tax / Fee	Penalties/ Interest
	\$'000	\$'000
		Total
		\$'000
Duties	1,510	495
Parking space levy	127	102
Payroll tax	11,467	4,055
Land tax	300	261
Club gaming devices	-	-
Hotel gaming devices	713	433
First Home Owners Grant Scheme	175	56
Business Name Registration	13	-
Trade Measurement	2	-
Home Building Penalties	-	9
Total debts written off	14,307	5,411
		19,718

A debt is only considered irrecoverable where it is either uneconomic to recover, the debtor cannot be located, the personal or financial circumstances of the debtor does not warrant the taking of recovery action, legal proceedings through the courts have proved unsatisfactory or legal advice suggests follow up would be ineffective.

(b) Remissions

In accordance with the Taxation Administration Act 1996 administered by OSR, the Chief Commissioner or his delegate has the discretionary power to remit partially or wholly a statutory penalty and/or interest.

Penalties and interest remitted during the year amounted to:

	2011	
	Penalties	Interest
	\$'000	\$'000
		Total
		\$'000
Duties	-	2,005
Parking space levy	-	1,444
Payroll tax	40	3,426
Land tax	-	2,402
Club gaming devices	-	164
Hotel gaming devices	-	276
Totalizers gaming devices	-	1
FHOGS	7	-
Total remissions	47	9,718
		9,765

Interest and penalty can be remitted in part or full if the client can provide a satisfactory explanation for the default.

34. ADMINISTERED EXPENSES - OTHER

During the year, OSR incurred the following expenses on behalf of the Crown Entity:

	2011
	\$'000
Court imposed interest payments	566
Unclaimed money refund - S14 <i>Public Finance and Audit Act</i>	40
Bad debts expense (i)	141,810
Land tax discounts (ii)	3,647
GST rebate - Clubs (iii)	852
FHOGS	63,612
Total administered expenses	210,527

- (i) **Bad debts expense**
From 1 July 2008 First Home Owners Grant Scheme (FHOGS) became an administered activity of the Treasury on behalf of the Crown. Bad debts expense for 2011 includes an allowance for impairment of \$851,061 for FHOGS.
- (ii) **Land tax discounts**
A 1.5% discount is offered to land tax clients for full payment of their liability by the first instalment date.
- (iii) **GST rebate - Clubs**
The GST rebate is paid to clubs to compensate for the impact of the GST. It is based on gaming profits and is paid quarterly.

35. ADMINISTERED INCOME - CROWN ENTITY

Administered income information is presented on a revenue earned (accruals) and revenue collected (cash) basis.

- (a) Revenue earned

	Actual 2011 \$'000
Taxes, penalties and interest	
Duties (i)	1,356,759
Parking space levy (i)	(307)
Payroll tax (i) (ii)	1,851,671
Land tax (i) (ii)	156,915
Health insurance levy (i)	36,832
Insurance protection tax	249
Sub total	3,402,119
Gaming and racing	
Lotteries	76,721
Keno tax	3,475
Totalizator tax on and off course totes (i)	36,874
Fixed odds sports betting (i)	2,550
Fixed odds racing betting	1,454
Footy TAB	446
Club gaming devices (i) (iv)	167,882
Hotel gaming devices (i) (iv)	108,575
Total gaming and racing	397,977
Total taxes, penalties and interest	3,800,096
Fines	
Motor traffic fines (iii)	78,090
Fees	9,474
Court fines	2,485
Other fines	394
Total fines	90,443
Total taxes, fines, penalties and interest	3,890,539
Other	
Tax equivalents	213,159
Certificate and licences	70,970
TAF and Ad Valorem Levy	20,784
Unclaimed money	1,632
Other revenue	(420)
Total other	306,125
Total revenue earned	4,196,664

- (i) Included in the revenue earned figures are interest and penalties amounting to:

	Actual 2011 \$'000
Duties	10,987
Parking space levy	(785)
Payroll tax	6,734
Land tax	8,359
Club gaming devices	197
Hotel gaming devices	220
Total	25,712

- (ii) The budget for payroll tax and land tax include consolidation elimination estimates for public sector agencies. The yearly estimates are \$873.2M and \$1.9M respectively.
- (iii) \$13.8M has been recognised in fines revenue that relates to the increase in recoverable fines for the current year (refer to Note 30 (b)).
- (iv) Approved clubs and hotels can pay their quarterly gaming machine tax in three equal instalments without being charged interest for the late payment. The scheme aims to assist those demonstrating financial hardship.

- (b) Revenue collected

	Actual 2011 \$'000
Taxes, penalties and interest	
Duties	1,333,773
Total duties	1,333,773
Parking space levy	18,383
Payroll tax	1,846,897
Land tax	727,874
Health insurance levy	36,832
Insurance protection tax	16,283
Sub total	2,646,269
Gaming and racing	
Lotteries	76,721
Keno tax	3,475
Totalizator tax on and off course totes	36,912
Fixed odds sports betting	2,550
Fixed odds racing betting	1,454
Footy TAB	446
Club gaming devices	168,302
Hotel gaming devices	108,465
Total gaming and racing	398,325
Total taxes, penalties and interest (i)	4,378,367
Fines	
Motor Traffic fines	68,321
Fees	5,699
Court fines	2,231
Other fines	372
Total fines	76,623
Total taxes, fines, penalties and interest	4,454,990
Other	
Tax equivalents	213,159
Certificate and licences (ii)	70,970
TAF and Ad Valorem Levy	19,499
Unclaimed money	1,632
Other revenue	(420)
Total other	304,840
Total revenue collected	4,759,830

- (i) Amounts totalling \$35.6M paid on 30 June 2011 and transferred to the Crown Entity on 1 July 2011 are included in the above figures.
- (ii) Certificate and Licences income includes income received in advance of \$17M as at 30 June 2011 (\$7.6M as at 30 June 2010) due to the introduction of three year home building licences.

36. OTHER ADMINISTERED REVENUE AND EXPENSES

Public and Trust Monies

As at 30 June 2011

	Public Monies \$'000	Unclaimed Wages \$'000
Balance as at the beginning of the year	53	62
Receipts	45	23
Expenditure	(58)	(62)
Balance as at the end of the year	40	23

Comparative information as at 30 June 2010 is as follows:

	Public Monies \$'000	Unclaimed Wages \$'000
Balance as at the beginning of the year	54	341
Receipts	213	62
Expenditure	(214)	(341)
Balance as at the end of the year	53	62

(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.

37. ADMINISTERED CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are currently 135 matters where the Crown Solicitor or other legal firms are acting on Office of State Revenue related matters on behalf of DFS. A settlement estimate for these matters cannot be reliably determined.

Refund claims totalling \$2.8M were paid in 2011 for general insurance duty following a Court decision in 2009. Any residual contingent liability cannot be reliably estimated.

38. 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, including derivative financial instruments, for speculative purposes.

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

The Director-General has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Department, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Department's internal audit program on a continuous basis.

(a) Financial Instrument Categories

Financial Assets	Note	Category	Consolidated		Department of Finance and Services	
			2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
			Carrying Amount	Carrying Amount	Carrying Amount	Carrying Amount
Class: Cash and cash equivalents	10	Not applicable	476,235	467,171	473,773	465,371
Receivables(i)	11	Loans and receivable (at amortised cost)	205,146	184,722	203,531	183,224
Financial assets at fair value	13	At fair value through profit or loss - designated as such upon initial recognition	21,510	23,929	21,510	23,929
Class: Payables(ii)	17	Financial liabilities measured at amortised cost	281,622	338,112	280,002	337,039
Borrowings	18	Financial liabilities measured at amortised cost	548,530	542,950	544,300	540,675

- (i) Excludes statutory receivables and prepayments (ie not within scope of AASB 7)
(ii) Excludes statutory payables and unearned revenue (ie not within scope of AASB 7)

(b) Credit Risk

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

Credit risk arises from the financial assets of the Department, including cash, receivables, and authority deposits. No collateral is held by the Department. The Department has not granted any financial guarantees.

Credit risk associated with the Department's financial assets, other than receivables, is managed through the selection of counter parties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

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

Receivables - Trade Debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors; however there is provision for interest to be charged on certain debtors. Sales are made on terms up to 30 days.

The Department is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2011 \$172.1M; 2010 \$162.3M) and not less than three months past due (2011 \$15.8M; 2010 \$8.4M) are not considered impaired and together these represent 91.2% (2010 92.5%) of the total trade debtors. Most of the Department's debtors have a AAA credit rating. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the Statement of Financial Position.

	Consolidated			Department of Finance and Services		
	Total ^{1,2} \$'000	Past Due But Not Impaired ^{1,2} \$'000	Considered Impaired ^{1,2} \$'000	Total ^{1,2} \$'000	Past Due But Not Impaired ^{1,2} \$'000	Considered Impaired ^{1,2} \$'000
2011						
< 3 months overdue	15,838	15,838	-	15,813	15,813	-
3 months - 6 months overdue	7,839	7,303	536	7,807	7,271	536
> 6 months overdue	10,365	4,473	5,892	10,365	4,473	5,892
2010						
< 3 months overdue	8,433	8,433	-	8,214	8,214	-
3 months - 6 months overdue	15,605	15,237	368	15,605	15,237	368
> 6 months overdue	6,185	4,821	1,364	5,876	4,512	1,364

Notes:

1. Each column in the table reports "gross receivables".
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the Statement of Financial Position.

(c) Liquidity Risk

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

The Department has a loan facility with TCorp with a limit of \$650M to fund the StateFleet Leasing Arrangement. Out of this facility \$544.3M was utilised as at 30 June 2011.

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

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.

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

	Weighted Average Effective Interest Rate	Nominal Amount(i)	\$'000 Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	< 1 Year	1-5 Years	> 5 Years
2011								
<i>Payables Borrowings</i>								
Bank overdraft	-	-	-	-	-	-	-	-
Advances repayable	-	-	-	-	-	-	-	-
TCorp borrowings	-	-	544,300	-	-	212,665	331,635	-
Other loans and deposits	-	-	-	-	-	-	-	-
Finance leases	-	-	4,893	-	-	1,922	2,971	-
	-	-	549,193	-	-	214,587	334,606	-
2010								
<i>Payables Borrowings</i>								
Bank overdraft	-	-	-	-	-	-	-	-
Advances repayable	-	-	-	-	-	-	-	-
TCorp borrowings	-	-	540,675	-	-	222,857	317,818	-
Other loans and deposits	-	-	-	-	-	-	-	-
Finance leases	-	-	4,128	-	-	1,606	2,522	-
	-	-	544,803	-	-	224,463	320,340	-

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the Statement of Financial Position.

(d) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Department's exposures to market risk are primarily through interest rate risk on the Department's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The Department has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Department operates and the time frame for the assessment (ie until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date.

Interest Rate Risk

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

	\$'000				
	Carrying Amount	Profit -1%	Equity -1%	Profit 1%	Equity 1%
2011					
<i>Financial Assets (i)</i>					
Cash and cash equivalents	476,235	(4,762)	(4,762)	4,762	4,762
Financial assets at fair value	21,510	(215)	(215)	215	215
<i>Financial Liabilities (i)</i>					
Borrowings	548,530	(5,485)	(5,485)	5,485	5,485
2010					
<i>Financial Assets (i)</i>					
Cash and cash equivalents	467,171	(4,672)	(4,672)	4,672	4,672
Financial assets at fair value	23,930	(239)	(239)	239	239
<i>Financial Liabilities (i)</i>					
Borrowings	542,950	(5,430)	(5,430)	5,430	5,430

(i) Both receivables and payables are excluded as the Department deems there exists no interest exposure.

Other Price Risk - TCorp Hour-Glass Facilities

Exposure to "other price risk" primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Department has no direct equity investments. The Department holds units in the following Hour-Glass investment trusts:

			Consolidated	
Facility	Investment Sectors	Investment Horizon	2011 \$'000	2010 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	476,235	467,171
Strategic cash facility	Cash, money market and other interest rate instruments	1.5 years to 3 years	21,510	23,930

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Department's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (ie 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

	Impact on Profit/Loss		
	Change in Unit Price	2011 \$'000	2010 \$'000
Cash Facility	+/- 1.0%	4,762	4,672
Hour-Glass Investment - Strategic Cash Facility	+/- 2.0%	430	478

(e) Fair Value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on the Department's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using "redemption" pricing.

The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of many of the financial instruments.

	2011 \$'000 Carrying Amount	2011 \$'000 Fair Value	2010 \$'000 Carrying Amount	2010 \$'000 Fair Value
Financial Assets				
TCorp Hour Glass Investment Facility	21,510	21,510	23,930	23,930
	21,510	21,510	23,930	23,930

(f) Fair value recognised in the statement of financial position

The department uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique.

- Level 1 - Derived from quoted prices in active markets for identical assets/liabilities.
- Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 - Derived from valuation techniques that for the asset/liability not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2011 Total \$'000
TCorp Hour Glass Investment Facility	21,510	-	-	21,510
	21,510	-	-	21,510

39. AFTER BALANCE DATE EVENTS

As from 1 October 2011 approximately 660 staff in Housing NSW, Department of Family and Community Services who are principally involved in asset management were transferred to DFS.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

New South Wales Government Telecommunications Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of New South Wales Government Telecommunications Authority (the authority), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entity it controlled during and at the year's end.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 30 June 2011, and of their financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

Acting Managing Director's responsibility for the Financial Statements

The Acting Managing Director is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Acting Managing Director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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



David Nolan
Director, Financial Audit Services

17 October 2011
SYDNEY

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY (TELCO)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

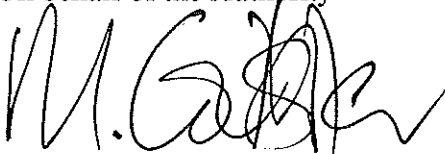
STATEMENT BY THE ACTING DIRECTOR

Under Section 41C of the *Public Finance and Audit Act, 1983*, I state that in my opinion:

- (a) The accompanying consolidated financial statements and notes thereto exhibit a true and fair view of the financial position of the NSW Government Telecommunications Authority and its subsidiary as at 30 June 2011 and the transactions for the period then ended.
- (b) The consolidated financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation, 2010* and the Treasurer's Directions.

Further, I am not aware of any circumstances that would render any particulars included in the consolidated financial statements to be misleading or inaccurate.

On behalf of the Authority

A handwritten signature in black ink, appearing to read 'M. Coutts-Trotter', with a stylized flourish at the end.

Michael Coutts-Trotter
Acting Managing Director
NSW Government Telecommunications Authority

Dated 17 October 2011 at Sydney

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Consolidated		Telco	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Revenue					
Services and sale of goods	2(a)	17,067	11,354	-	-
Interest received	2(b)	129	54	-	-
Total Revenue		17,196	11,408	-	-
Expenses					
Operating expenses					
Employee related expenses	3(a)	4,930	4,626	-	-
Other operating expenses	3(c)	9,545	5,144	-	-
Depreciation expenses	8	1,839	1,320	-	-
Financing expenses	3(b)	324	226	-	-
TOTAL EXPENSES		16,638	11,316	-	-
SURPLUS BEFORE TAX		558	92	-	-
Current tax expense	4(a)	-	-	-	-
Deferred tax benefit	4(a)	96	54	-	-
NET SURPLUS AFTER TAX		654	146	-	-
Total Comprehensive Income		654	146	-	-
Total Comprehensive Income attributable to:					
NON-CONTROLLING INTEREST		281	63	-	-
OWNERS OF THE PARENT		373	83	-	-

The accompanying notes form part of these statements.

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Notes	Consolidated		Telco	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	5	2,462	1,800	-	-
Trade and other receivables	6	1,615	1,498	-	-
Prepayments	7	181	58	-	-
Deferred tax assets	4(b)	708	555	-	-
Total Current Assets		4,966	3,911	-	-
Non-Current Assets					
Plant and equipment	8	5,331	4,265	-	-
Deferred tax assets	4(b)	819	711	-	-
Other financial assets	9	-	-	870	870
Total Non-Current Assets		6,150	4,976	870	870
Total Assets		11,116	8,887	870	870
LIABILITIES					
Current Liabilities					
Trade and other payables	10	1,620	1,073	-	-
Short-term provisions	11	322	296	-	-
Interest bearing liabilities	12,18	1,571	1,316	-	-
Other	13	260	181	-	-
Deferred tax liabilities	4(b)	478	422	-	-
Total Current Liabilities		4,251	3,288	-	-
Non-Current Liabilities					
Long-term provisions	11	74	96	-	-
Other	13	251	110	-	-
Interest bearing liabilities	12,18	2,659	2,275	-	-
Deferred tax liabilities	4(b)	748	639	-	-
Total Non-Current Liabilities		3,732	3,120	-	-
Total Liabilities		7,983	6,408	-	-
Net Assets		3,133	2,479	870	870
EQUITY					
Retained earnings		5,281	4,908	870	870
Equity attributable to Parent		5,281	4,908	870	870
Non-Controlling Interest	14	(2,148)	(2,429)	-	-
Total Equity		3,133	2,479	870	870

The accompanying notes form part of these statements.

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

		Consolidated		Telco
		Retained Earnings	Non-Controlling Interest	Retained Earnings
	Notes	\$'000	\$'000	\$'000
Balance at 1 July 2010		4,908	(2,429)	870
Surplus/(Deficit) for the year		373	281	-
Total comprehensive income for the year		373	281	-
Balance at 30 June 2011		5,281	(2,148)	870
Balance at 1 July 2009		4,825	(2,492)	870
Surplus/(Deficit) for the year		83	63	-
Total comprehensive income for the year		83	63	-
Balance at 30 June 2010		4,908	(2,429)	870

The accompanying notes form part of these statements.

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	Consolidated		Telco	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES	16				
Payments to suppliers and employees		(14,163)	(9,288)	-	-
Financing costs		(324)	(399)	-	-
Total Payments		(14,487)	(9,687)	-	-
Receipts from customers, grants and rentals		17,286	10,558	-	-
Interest received		129	54	-	-
Total Receipts		17,415	10,612	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES		2,928	925	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for plant and equipment		(818)	(314)	-	-
Proceeds from disposal of assets		-	-	-	-
NET CASH USED IN INVESTING ACTIVITIES		(818)	(314)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Net repayment of interest bearing liabilities		(1,448)	(1,012)	-	-
NET CASH USED IN FINANCING ACTIVITIES		(1,448)	(1,012)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		662	(401)	-	-
Cash and cash equivalents at the beginning of the financial year		1,800	2,201	-	-
Cash and cash equivalents at the end of the financial year	5	2,462	1,800	-	-

The accompanying notes form part of these statements.

NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1. SUMMARY 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 Telco, which is a wholly owned subsidiary of the Department of Finance and Services, 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. ac3 is a for-profit entity.

This Consolidated Financial Statements for the year ended 30 June 2011 has been authorised for issue by the Acting Managing Director on 17 October 2011.

(b) Basis of Preparation

The Consolidated Financial Statements of the consolidated entity are general purpose Consolidated Financial Statements which have been prepared in accordance with:

- (i) applicable Australian Accounting Standards, which include Australian Accounting Interpretations;
- (ii) the requirements of the Public Finance and Audit Act 1983 and Regulation; and
- (iii) the Financial Reporting Directions issued by the Treasurer.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared on an accrual basis and are 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.

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 Telco.

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

(c) Basis of Consolidation

The Consolidated Financial Statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being Telco (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 Telco obtains control and until such time as Telco 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.

(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.

Collectability 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 Telco 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 Consolidated Statement of Comprehensive Income.

(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.

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.

(g) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

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). Telco'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.

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 profit/loss during the financial period they are incurred.

(h) Depreciation of Plant and Equipment

The depreciable amount of all fixed assets including capitalised leased assets is depreciated or amortised on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are amortised 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	4-10 years
Furniture and Fittings	5-8 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each reporting 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, Telco reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit/loss.

(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 Telco are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the fair value of the leased property.

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.

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, Telco assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit/loss.

(l) Other Financial Assets

Telco's investment in ac3 is classified as a financial asset carried at impaired cost. Investments in equity instruments must be measured at fair value, unless they do not have a quoted market price in an active market and then must be valued at cost. ac3 is a proprietary company and does not have a quoted market price, nor is there an active market for ac3 shares.

(m) Trade and Other 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.

(n) 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:

Sale of goods - Control of 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) Income Tax

Telco is a tax-exempt entity. Telco's subsidiary is not tax exempt and applies the following policy:

The income tax expense for the year comprises current income tax expense and deferred tax expense. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

(p) Employee Entitlements

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 and long service for employees with five or more years service. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits are measured at their nominal amounts using remuneration rates expected to apply at the time of settlement. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

(q) Provisions

Provisions are recognised when Telco 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. The provisions are discounted to present value when they will be settled later than one year.

(r) 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 Consolidated Statement of Financial Position are shown inclusive of GST.

(s) Administrative and Managerial Support

The Department of Finance and Services continues to provide expertise, assistance and administrative support to Telco at no charge. ac3 manages its own affairs.

(t) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous reporting period 30 June 2010 for all amounts reported in the financial statements.

(u) **New Australian Accounting Standards Issued But Not Effective**

The following new Accounting Standards have not been applied and are not yet effective:

- AASB 9 (Dec 2010) and AASB 2010-7 regarding financial instruments
- AASB 124 and AASB 2009-12 regarding related party transactions
- AASB 2009-14 regarding amendments to Interpretation - Prepayments of a Minimum Funding Requirement
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 2010-4 regarding annual improvements
- AASB 2010-5 regarding editorial corrections
- AASB 2010-6 regarding disclosures on transfers of financial assets
- AASB 2010-8 regarding deferred tax: recovery of underlying assets
- AASB 2010-9 regarding severe hyperinflation and removal of fixed dates for first time adopters
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 1054 Australian Additional Disclosures
- AASB 2011-1 regarding the Trans Tasman Convergence project
- AASB 2011-2 regarding the Trans Tasman Convergence project - RDR
- AASB 2011-3 regarding orderly adoption of changes to the ABS GFS Manual
- AASB 2011-4 removing individual key management personnel disclosures
- AASB 2011-5 extending relief from consolidation, the equity method and proportionate consolidation
- AASB 2011-6 regarding RDR requirements extending relief from consolidation, the equity method and proportionate consolidation
- AASB 10 Consolidated financial statements
- AASB 11 Joint arrangements
- AASB 12 Disclosures of interests in other entities
- AASB 13 and AASB 2011-8 regarding fair value measurement
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 127 Separate financial statements
- AASB 128 Investments in associates and joint ventures
- AASB 2011-7 regarding consolidation and joint arrangements
- AASB 2011-9 regarding presentation of items of other comprehensive income

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

2. REVENUES

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

	Consolidated		Telco	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Rendering of Services	14,607	10,422	-	-
Sale of Goods	2,460	932	-	-
	17,067	11,354	-	-

(b) **Interest Received**

	Consolidated		Telco	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Interest	129	54	-	-
	129	54	-	-

3. EXPENSES

(a) Employee Related Expenses

Employee Related Expenses comprise the following specific items:

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	4,287	4,016	-	-
Superannuation	353	367	-	-
Staff recruitment	69	10	-	-
Payroll tax	220	217	-	-
Annual and long service leave provided	1	16	-	-
	4,930	4,626	-	-

(b) Financing Cost

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Interest	324	226	-	-
	324	226	-	-

(c) Other Operating Expenses

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Operating lease rental - minimum lease payments	1,837	133	-	-
Rent	362	345	-	-
Repairs and maintenance	199	167	-	-
Telecommunications	425	455	-	-
Audit Fees	35	33	-	-
Director's remuneration	85	79	-	-
Cost of goods sold	3,869	1,740	-	-
Co-location fee	1,151	844	-	-
Power	776	756	-	-
Other	806	592	-	-
	9,545	5,144	-	-

4. INCOME TAX EXPENSE

(a) The components of tax expenses comprise

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Prima facie tax payable (30% on profit from ordinary activities before tax)	167	27	-	-
Adjustment for temporary differences	96	54	-	-
Recoupment of prior year tax losses	(263)	(81)	-	-
	-	-	-	-

(b) Deferred tax asset/(Deferred tax liability)

Deferred tax items recognised in the consolidated statement of comprehensive income

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Provision for employee entitlements	106	106	-	-
Other provisions	153	84	-	-
Lease Liability	1,268	1,076	-	-
	1,527	1,266	-	-
Plant and equipment subject to lease	(1,226)	(1,061)	-	-
Net deferred tax asset	301	205	-	-

Deferred tax asset recognised in the consolidated statement of financial position

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Current asset	708	555	-	-
Non-current asset	819	711	-	-
	1,527	1,266	-	-

Deferred tax liability recognised in the consolidated statement of financial position

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Current liability	478	422	-	-
Non-current liability	748	639	-	-
	1,226	1,061	-	-

5. CASH AND CASH EQUIVALENTS

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	2,462	1,800	-	-
	2,462	1,800	-	-

(a) Reconciliation to cash and cash equivalents at the end of year

Cash assets recognised in the Consolidated Statement of Financial Position are reconciled to cash and cash equivalents at the end of the financial year as shown in the Consolidated Statement of Cash Flows as follows:

Cash and cash equivalents (per Consolidated Statement of Financial Position)	2,462	1,800	-	-
Closing cash and cash equivalents (per Consolidated Statement of Cash Flows)	2,462	1,800	-	-

(b) Cash at bank and on hand

The deposits are bearing floating interest rate of 6.03% (2010 - 2.69%). These funds are at call.

6. TRADE AND OTHER RECEIVABLES

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Current				
Trade debtors	1,615	1,498	-	-
	1,615	1,498	-	-

7. PREPAYMENTS

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments - General	181	58	-	-
	181	58	-	-

8. PLANT AND EQUIPMENT

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Plant and Equipment				
At fair value	1,726	1,098	-	-
Accumulated depreciation	(538)	(439)	-	-
Total written down value plant and equipment	1,188	659	-	-

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Furniture and Fittings				
At fair value	131	136	-	-
Accumulated depreciation	(77)	(70)	-	-
Total written down value furniture and fittings	54	66	-	-

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Leased Assets				
At fair value	7,218	6,246	-	-
Accumulated amortisation	(3,129)	(2,706)	-	-
Total written down value leased assets	4,089	3,540	-	-

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Plant and Equipment				
At fair value	9,075	7,480	-	-
Accumulated depreciation and amortisation	(3,744)	(3,215)	-	-
Total written down value plant and equipment	5,331	4,265	-	-

Reconciliation - 2011

	Plant and Equipment \$'000	Furniture and Fittings \$'000	Leased Assets \$'000	Total \$'000
Carrying amount at the beginning of year	659	66	3,540	4,265
Additions	813	6	2,085	2,904
Depreciation and amortisation expense	(284)	(18)	(1,536)	(1,838)
Carrying amount at the end of year	1,188	54	4,089	5,331

Reconciliation - 2010

	Plant and Equipment \$'000	Furniture and Fittings \$'000	Leased Assets \$'000	Total \$'000
Carrying amount at the beginning of year	576	56	2,196	2,828
Additions	282	32	2,443	2,757
Depreciation and amortisation expense	(199)	(22)	(1,099)	(1,320)
Carrying amount at the end of year	659	66	3,540	4,265

9. OTHER FINANCIAL ASSETS

	Consolidated		Telco	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Non-current assets				
Other Financial Assets carried at impaired cost				
Shares in ac3 (see Note 1(a))	-	-	870	870
	-	-	870	870

10. TRADE AND OTHER PAYABLES

	Consolidated		Telco	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current				
Trade creditors	994	669	-	-
Sundry creditors and accruals	550	328	-	-
Net GST payable	76	76	-	-
	1,620	1,073	-	-

11. PROVISIONS

	Consolidated		Telco	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current				
Long service leave	70	59	-	-
Annual leave	252	237	-	-
	322	296	-	-

	Consolidated		Telco	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Non-current				
Liability for Long Service Leave	30	56	-	-
Provision for premises relocation	44	40	-	-
	74	96	-	-

	Consolidated		Telco	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Movement in provision for premises relocation				
Carrying amount at beginning of financial year	40	23	-	-
Unwinding of discount rate	4	17	-	-
	44	40	-	-

12. INTEREST BEARING LIABILITIES

For equipment relating to varying contract periods and suppliers

Equipment

Minimum commitments payable are as follows:

Within one year

Later than one but not later than five years

Later than five years

Minimum lease payments

Future finance charges

Present value of minimum lease payments

Finance leases are included in the consolidated

Statement of Financial Position as follows:

Current interest bearing liability

Non-Current interest bearing liability

Consolidated		Telco	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
1,922	1,606	-	-
2,971	2,522	-	-
-	-	-	-
4,893	4,128	-	-
(663)	(537)	-	-
4,230	3,591	-	-
1,571	1,316	-	-
2,659	2,275	-	-
4,230	3,591	-	-

Details regarding credit risk, including a maturity analysis of the above borrowings are disclosed in Note 18.

13. OTHER LIABILITIES

Current

Revenue in advance

Consolidated		Telco	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
260	181	-	-
260	181	-	-

Non-current

Revenue in advance

Consolidated		Telco	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
251	110	-	-
251	110	-	-

14. NON-CONTROLLING INTEREST

Non-Controlling interest in controlled entity comprises:

Australian Centre for Advanced Computing and Communications Pty Ltd

Represented by:

Interest in accumulated losses at beginning of financial year

Share of surplus for the year

Balance at end of year

Consolidated		Telco	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
(2,148)	(2,429)	-	-
(2,429)	(2,492)	-	-
281	63	-	-
(2,148)	(2,429)	-	-

15. COMMITMENTS FOR EXPENDITURE

(a) Other Expenditure Commitments

Aggregate other expenditure for the acquisition of items as detailed below contracted for at reporting date and not provided for:

Agreements with various communications suppliers

Minimum commitments payable are as follows:

Within than one year

Later than one but not later than five years

Later than five years

Consolidated		Telco	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
179	53	-	-
300	83	-	-
-	-	-	-
479	136	-	-

The total other expenditure commitments above includes input tax credits of \$43,560 (2010 - \$12,391) that are expected to be recovered from the Australian Taxation Office.

(b) Operating Leases

Future non-cancellable operating lease rentals not provided for and payable for accommodation and equipment relating to varying contract periods and suppliers

Accommodation and equipment

Minimum commitments payable are as follows:

Within than one year

Later than one but not later than five years

Later than five years

Consolidated		Telco	
2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000
901	596	-	-
2,029	1,903	-	-
-	-	-	-
2,930	2,499	-	-

The total accommodation and equipment commitments include input tax credits of \$203,556 (2010 - \$185,336) that are expected to be recovered from the Australian Taxation Office.

16. RECONCILIATION OF PROFIT TO NET CASH INFLOWS FROM OPERATING ACTIVITIES

	Consolidated		Telco	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Surplus before tax	558	92	-	-
Depreciation and amortisation	1,839	1,320	-	-
Changes in Operating Assets and Liabilities				
(Increase) in trade and other receivables	(117)	(742)	-	-
(Increase) in other assets	(238)	(40)	-	-
Increase/(Decrease) in revenue in advance	220	(120)	-	-
Increase in trade creditors and provisions	551	349	-	-
Increase/ (Decrease) in other liabilities	115	66	-	-
Net Cash Flow provided by Operating Activities	2,928	925	-	-

17. SEGMENT REPORTING

The consolidated entity operates in one business and geographical segment, being the provision of Managed Co-location Services in New South Wales.

18. FINANCIAL INSTRUMENTS

Telco's principal financial instruments are outlined below. These financial instruments arise from Telco's operations or are required to finance Telco's operations. Telco does not trade financial instruments. The Acting Managing Director is responsible for the oversight of risk management.

	Weighted Average Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing				Non Interest Bearing		Total	
	%				Within 1 Year		1 - 5 Years					
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Financial Assets												
Cash	6.03	2.69	2,462	1,800	-	-	-	-	-	-	2,462	1,800
Receivables	-	-	-	-	-	-	-	-	1,615	1,498	1,615	1,498
Total Financial Assets	-	-	2,462	1,800	-	-	-	-	1,615	1,498	4,077	3,298
Financial Liabilities												
Payables	-	-	-	-	-	-	-	-	(1,544)	(997)	(1,544)	(997)
Lease Liabilities	9.5	9.72	-	-	(1,922)	(1,606)	(2,971)	(2,522)	-	-	(4,893)	(4,128)
Total Financial Liabilities	-	-	2,462	-	(1,922)	(1,606)	(2,971)	(2,522)	(1,544)	(997)	(6,513)	(5,201)
Net Financial Asset/(Liability)	-	-	2,462	1,800	(1,922)	(1,606)	(2,971)	(2,522)	(71)	951	(2,436)	(1,903)

Market Risk

The only component of market risk to which Telco is exposed to is interest rate risk. The interest rate risk is minimal due to fixed interest rates with all loans related to equipment lease agreements through Capital Finance.

Liquidity Risk

The liquidity risk is minimal as Telco has cash reserves available at call in addition to readily accessible stand-by facilities. Receivables are on terms of no more than 30 days payable from invoice date.

Price Risk

Price risk is minimal due to 80% of revenue being derived from services provided. All capital equipment purchased by Telco on behalf of customers was done so under the agreement of a signed contract and purchase order.

Internal Rate Risk

The only component of market risk to which the authority is exposed is interest rate risk. Our interest rate risk is minimal due to fixed interest rates with all loans related to equipment lease agreements. The exposure to interest rate risk is set out below:

	\$'000				
	Carrying Amount	Profit -1%	Equity -1%	Profit 1%	Equity 1%
2011					
Financial Assets					
Cash and cash equivalents	2,462	(25)	(25)	25	25
Financial Liabilities					
Lease Liabilities	4,893	49	49	(49)	(49)
2010					
Financial Assets					
Cash and cash equivalents	1,800	(18)	(18)	18	18
Financial Liabilities					
Lease Liabilities	4,128	41	41	(41)	(41)

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 for doubtful receivables, as disclosed in the Consolidated Statement of Financial Position and notes to the Consolidated Financial Statements.

Telco does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by ac3.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the Consolidated Statement of Financial Position, as per the table below.

	Total \$'000	Past Due But Not Impaired \$'000	Considered Impaired \$'000
2011			
Less than 3 months overdue	25	25	-
3 months - 6 months overdue	32	32	-
Greater than 6 months overdue	-	-	-
2010			
Less than 3 months overdue	309	309	-
3 months - 6 months overdue	49	49	-
Greater than 6 months overdue	-	-	-

Net Fair Values

The aggregate fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Consolidated Statement of Financial Position and in the notes to the financial statements.

19. TRANSACTIONS INVOLVING RELATED ENTITIES

In 2010/11 the Telco controlled entity, ac3, received revenue from Department of Finance and Services for provision of managed services amounting to \$1,399,000 (2010 - \$1,240,000). Service Desk support income amounting to \$27,000 was received from Macquarie University (2010 - \$67,000).

20. AUDIT FEES

(a) Telco Audit Fees

The Department of Finance and Services paid the audit fees for Telco.

	2011 \$	2010 \$
Telco audit fees	5,200	5,000
	5,200	5,000

(b) ac3's Audit Fee

	2011 \$	2010 \$
Ac3 audit fees (Note 3(c) Other Operating Expenses)	35,000	33,000
	35,000	33,000

21. PAYMENTS TO DIRECTORS

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 \$85,000. (Four in the band \$10,000 - \$19,000; one in the band \$20,000 - \$29,999).

22. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

Details of the executive officers of ac3 are as follows:

Philip McCrea, Chief Executive Officer and Eric Whitehouse, Chief Operating Officer

(b) Compensation of Key Management Personnel

	2011	2010
	\$'000	\$'000
Short term benefits	438	399
Post-employment benefits	22	12
Other long-term employee benefits	-	-
	460	411

23. CONTINGENT LIABILITIES AND ASSETS

The consolidated entity is not aware of any contingent liabilities or assets associated with its operations.

24. SUBSEQUENT EVENTS

There were no events occurring after reporting date requiring disclosure.

END OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS



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Mr Neville Stevens
Chairman
Australian Centre for Advanced Computing
and Communications Pty Limited
Suite 7002, 2 Locomotive Street
Australian Technology Park
EVELEIGH NSW 2015

17 October 2011

Dear Mr Stevens

STATUTORY AUDIT REPORT

for the Year Ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Limited

I have audited the financial statements of the Australian Centre for Advanced Computing and Communications Pty Limited (the Company) as required by the *Public Finance and Audit Act 1983* (the Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2011, and details the matters found during the audit that are relevant to you in your role as one of those charged with the governance of the Company. The Act requires that I send this report to the Company, the Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the Company's financial statements. I have enclosed the Independent Auditor's Report, together with the Company's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. My audit is not designed to identify all matters that may be of governance interest to you. Accordingly, there may be other matters of governance interest that did not come to my attention during my audit.

My audit is continuous and I may therefore identify new significant matters. If this occurs, I will write to you immediately.

Audit Result

I expressed an unmodified opinion on the Company's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

Misstatements in the Financial Statements

The financial statements contained misstatements which are listed in the attached appendix.

Compliance with Legislative Requirements

My audit procedures are targeted specifically towards forming an opinion on the Company's financial statements. This includes testing whether the Company has complied with legislative requirements that may materially impact on the financial statements. The results of the audit are reported in this context. My testing did not identify any instances of non-compliance.

Auditor-General's Report to Parliament

Comment on the Company's activities, financial operations, performance and compliance will appear in the Auditor-General's Report to Parliament. I will send a draft of this comment to management for review before the Report is tabled during November.

Acknowledgment

I thank the Company's staff for their courtesy and assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Nolan', with a stylized, cursive script.

David Nolan
Director, Financial Audit Services

Misstatements in the Financial Statements

The following tables detail the effect of misstatements I found in the financial statements originally submitted to me.

Corrected Monetary Misstatements

We did not detect any corrected monetary misstatements in the financial statements.

Corrected Disclosure Deficiencies

We did not detect any corrected disclosure misstatements in the financial statements.

Uncorrected Monetary Misstatements

We did not detect any material uncorrected monetary misstatements in the financial statements.

Uncorrected Disclosure Deficiencies

Management has determined the following disclosure deficiencies in the financial statements to be immaterial. From an audit perspective, I agree with management's determination and do not believe these are significant enough to result in a modification to the opinion in the Independent Auditor's Report.

Disclosure Title	Description of Disclosure Deficiency
Directors Remuneration	Director's remuneration has not increased since 2010 but we are showing \$85,000 in 2011 compared to \$79,000 in 2010. This is because super earned by directors in 2011 has been added to director's remuneration balance however this was classified in superannuation in 2010.
Employee Expenses and Operating Expenses	Staff recruiting has been classified as Employee Expenses, but really forms part of other operating expenses. This has a nil effect on profit and is merely a reclassification from one type of expense to another.

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 2011 and the transactions for the year ended 30 June 2011.
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Regulation 2010.

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 17 / 10 / 2011

Statement of Comprehensive Income

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

	Note	2011 \$'000	2010 \$'000
Revenue	2	17,196	11,408
Expenses			
Employee benefits expense	3	(4,930)	(4,626)
Depreciation expenses		(1,839)	(1,320)
Financing expenses		(324)	(226)
Other operating expenses	3	(9,545)	(5,144)
		-----	-----
Profit for the year before tax		558	92
Current tax expense	4a	-	-
Deferred tax benefit	4a	96	54
		-----	-----
NET PROFIT AFTER TAX		654	146
		=====	=====
Other comprehensive income		-	-
		-----	-----
Other comprehensive income for the year		-	-
		-----	-----
TOTAL COMPREHENSIVE INCOME		654	146
		=====	=====

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

Statement of Financial Position

as at 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

	Note	2011 \$'000	2010 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	2,462	1,800
Trade and other receivables	6	1,615	1,498
Prepayments	7	181	58
Deferred tax assets	4b	708	555
		-----	-----
Total current assets		4,966	3,911
		-----	-----
Non-current assets			
Plant and equipment	8	5,331	4,265
Deferred tax assets	4b	819	711
		-----	-----
Total non-current assets		6,150	4,976
		-----	-----
TOTAL ASSETS		11,116	8,887
		=====	=====
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,620	1,073
Provisions	10	322	296
Interest bearing liabilities	11	1,571	1,316
Other current liabilities	12	260	181
Deferred tax liabilities	4b	478	422
		-----	-----
Total current liabilities		4,251	3,288
		-----	-----
Non-current liabilities			
Provisions	10	74	96
Interest bearing liabilities	11	2,659	2,275
Other non-current liabilities	12	251	110
Deferred tax liabilities	4b	748	639
		-----	-----
Total non-current liabilities		3,732	3,120
		-----	-----
TOTAL LIABILITIES		7,983	6,408
		=====	=====
NET ASSETS		3,133	2,479
		=====	=====
EQUITY			
Issued capital		14,920	14,920
Accumulated losses		(11,787)	(12,441)
		-----	-----
Total Equity		3,133	2,479
		=====	=====
The above statement of financial position should be read in conjunction with the accompanying notes			

Statement of Changes in Equity

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

	Issued Capital \$'000	Accumulated Loss \$'000	Total \$'000
Balance as at 1 July 2010	14,920	(12,441)	2,479
Profit for the year after tax	-	654	654
Other comprehensive income	-	-	-
Total other comprehensive income for the year	-	-	-
Total comprehensive income for the year			
Balance as at 30 June 2011	14,920	(11,787)	3,133
Balance as at 1 July 2009	14,920	(12,587)	2,333
Profit for the year after tax	-	146	146
Other comprehensive income	-	-	-
Total other comprehensive income for the year	-	-	-
Total comprehensive income for the year			
Balance as at 30 June 2010	14,920	(12,441)	2,479

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

Statement of Cash Flows

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

	Note	2011 \$'000	2010 \$'000
Cash flows from operating activities			
Receipts from customers, grants and rentals		17,286	10,558
Payments to suppliers and employees		(14,163)	(9,288)
Financing costs		(324)	(399)
Interest received		129	54
Net cash provided by operating activities	16	2,928	925
Cash flows from investing activities			
Payments for plant and equipment		(818)	(314)
Proceeds from disposal of assets		-	-
Net cash used in investing activities		(818)	(314)
Cash flows from financing activities			
Borrowings/(net repayments of interest bearing liabilities)		(1,448)	(1,012)
Net cash provided by financing activities		(1,448)	(1,012)
Net increase/(decrease) in cash and cash equivalents held		662	(401)
Cash and cash equivalents at the beginning of the financial year		1,800	2,201
Cash and cash equivalents at the end of the financial year	5	2,462	1,800
		=====	=====

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

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

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 and it is a for profit company. 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 7002, 2 Locomotive Street, Eveleigh NSW 2015.

These financial statements for the year ended 30 June 2011 have been authorised for issue by the Directors on 17 October 2011.

(b) Basis of preparation

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 general purpose financial statements. Because the company is controlled by a statutory authority (The NSW Government Telecommunications Authority) the company is also a statutory authority under the *Public Finance and Audit Act 1983*. This Act requires the company to prepare general purpose financial statements.

The financial statements have been prepared on an accruals basis and are 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.

The financial statements comply with Australian Accounting Standards, which include Australian Accounting Interpretations. The financial statements comply with International Financial Reporting Standards (IFRS).

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.

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

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

1 Summary of significant accounting policies continued

(c) Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

(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.

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

1 Summary of significant accounting policies continued

(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.

Collectability 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 profit/loss.

(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 fair value, where applicable, any accumulated impairment losses.

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.

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 profit/loss during the financial period they are incurred.

Property, plant and equipment costing \$1000 and above individually (or forming part of a network costing more than \$1000) are capitalised.

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

1 Summary of significant accounting policies continued

(h) Depreciation and Amortisation

The depreciable amount of all fixed assets including capitalised leased assets is depreciated or amortised on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are amortised 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	4-10 years
Furniture and fittings	5-8 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit/loss.

(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 fair value of the leased property.

Leased assets are amortised 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.

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

1 Summary of significant accounting policies continued

(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.

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 company assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit/loss.

(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 for employees with five or more years' services. 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 at rates expected to be paid at. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

(m) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The provisions are discounted to present value when they will be settled later than one year.

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

1 Summary of significant accounting policies continued

(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 statement of financial position are shown inclusive of GST.

(p) Dividends

Dividends are recorded when paid or declared.

(q) Comparatives

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

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

	2011 \$'000	2010 \$'000
2 Revenue		
Revenue from continuing operations		
Provision of services	14,607	10,422
Sales of goods	2,460	932
	-----	-----
	17,067	11,354
	-----	-----
Other revenue		
Interest received	129	54
	-----	-----
Total revenue	17,196	11,408
	=====	=====
3 Expenses		
The profit before tax	\$'000	\$'000
Includes the following specific expenses:		
<i>Employee benefits expense</i>		
Annual and long service leave provided	1	16
Payroll tax	220	217
Salaries and wages	4,287	4,016
Staff recruitment	69	10
Superannuation	353	367
	-----	-----
Total employee benefits expense	4,930	4,626
	=====	=====
Other operating expenses		
Audit fees	35	33
Cost of goods sold	3,869	1,740
Co-Location fee	1,151	844
Directors' remuneration	85	79
Operating lease rental – minimum lease payments	1,837	133
Other expenses	806	592
Power	776	756
Rent	362	345
Repairs and maintenance	199	167
Telecommunications	425	455
	-----	-----
Total other operating expenses	9,545	5,144
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

4 Income tax expense

	2011 \$'000	2010 \$'000
(a) The components of tax expense comprise:		
Prima facie tax payable (30% on profit from ordinary activities before tax)	167	27
Deferred tax benefit resulting from temporary differences	96	54
Recoupment of prior year tax losses	(263)	(81)
	-----	-----
	-	-
	=====	=====
(b) Deferred tax asset/(Deferred tax liability)		
Deferred tax items recognised in the statement of comprehensive income		
Provisions for employee entitlements	106	106
Other provisions	153	84
Lease liability	1,268	1,076
	-----	-----
	1,527	1,266
Plant and equipment subject to lease	(1,226)	(1,061)
	-----	-----
Net deferred tax asset	301	205
	=====	=====
Deferred tax asset recognised in the statement of financial position		
Current asset	708	555
Non-current asset	819	711
	-----	-----
	1,527	1,266
	=====	=====
Deferred tax liability recognised in the statement of financial position		
Current liability	478	422
Non-current liability	748	639
	-----	-----
	1,226	1,061
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

5 Cash and cash equivalents

	2011	2010
	\$'000	\$'000
Cash at bank and on hand	2,462	1,800
	=====	=====

(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 statement of cash flows as follows:

Balance per statement of cash flows	2,462	1,800
	=====	=====

(b) Cash at bank and on hand

The deposits bear a floating interest rate of 6.03%. (2010–2.69%). These funds are at call.

Refer Note 18 for details regarding credit risks, liquidity risk and market risk arising from financial instruments

6 Trade and other receivables

Current

Trade debtors	1,615	1,498
	=====	=====

Refer Note 18 for details regarding credit risks, liquidity risk and market risk including financial assets either past due or impaired

7 Prepayments

Current

Prepayments - general	181	58
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

8 Plant and equipment

	2011 \$'000	2010 \$'000
Plant and Equipment		
At fair value	1,726	1,098
Accumulated depreciation	(538)	(439)
	-----	-----
Total written down value plant and equipment	1,188	659
	=====	=====
 Furniture and Fittings		
	131	136
At fair value	(77)	(70)
Accumulated depreciation	-----	-----
	54	66
Total written down value furniture and fittings	=====	=====
 Leased Assets		
At fair value	7,218	6,246
Accumulated amortisation	(3,129)	(2,706)
	-----	-----
Total written down value leased assets	4,089	3,540
	=====	=====
 Total Plant and equipment		
At fair value	9,075	7,480
Accumulated depreciation & amortisation	(3,744)	(3,215)
	-----	-----
Total written down value	5,331	4,265
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

8 Plant and equipment continued

Reconciliation – 2011	Plant & Equipment \$'000	Furniture & Fittings \$'000	Leased Assets \$'000	Total \$'000
Net carrying amount at the beginning of year	659	66	3,540	4,265
Additions	813	6	2,085	2,904
Disposals	-	-	-	-
Depreciation/amortisation	(284)	(18)	(1,536)	(1,838)
Net carrying amount at the end of year	1,188	54	4,089	5,331
	=====	=====	=====	=====
Reconciliation – 2010				
Net carrying amount at the beginning of year	576	56	2,196	2,828
Additions	282	32	2,443	2,757
Disposals	-	-	-	-
Depreciation/amortisation	(199)	(22)	(1,099)	(1,320)
Net carrying amount at the end of year	659	66	3,540	4,265
	=====	=====	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

	2011 \$'000	2010 \$'000
9 Trade and other payables		
Current		
Net GST payable	76	76
Sundry creditors and accruals	550	328
Trade creditors	994	669
	-----	-----
Refer Note 18 for details regarding credit risks, liquidity risk and market risk, including a maturity analysis of the above payables	1,620 =====	1,073 =====

10 Provisions

	2011 \$'000	2010 \$'000
Current		
Liability for annual leave	252	237
Liability for long service leave	70	59
	-----	-----
	322 =====	296 =====
Non-Current		
Liability for long service leave	30	56
Provision for premises relocation	44	40
	-----	-----
	74 =====	96 =====
Movement in provision for premises relocation		
Carrying amount at the beginning of financial year	40	23
Additional provision recognised	-	-
Amount used	-	-
Unused amount	-	-
Unwinding of discount rate	4	17
	-----	-----
	44 =====	40 =====

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

11 Interest bearing liabilities

Future non-cancellable finance lease payments for equipment relating to varying contract periods and suppliers.

Equipment

Minimum commitments payable are as follows:

	2011	2010
	\$'000	\$'000
Within one year	1,922	1,606
Later than one year but not later than five years	2,971	2,522
Later than five years	-	-
	-----	-----
Minimum lease payments	4,893	4,128
Future finance charges	(663)	(537)
	-----	-----
Present value of minimum lease payments	4,230	3,591
	=====	=====

Finance leases are disclosed in the statement of financial position as follows:

Current interest bearing liability	1,571	1,316
Non-current interest bearing liability	2,659	2,275
	-----	-----
	4,230	3,591
	=====	=====

Details regarding credit risk, including a maturity analysis of the above borrowings are disclosed in Note 18.

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

2011	2010
\$'000	\$'000

12 Other liabilities

Current

Income in advance	260	181
	=====	=====

Non-current

Income in advance	251	110
	=====	=====

13 Related party 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.

	Short-term	Post-employment	
Name	Cash salary and fees (\$'000)	Superannuation (\$'000)	Total (\$'000)
R. Dixon	13	1	14
C. Howells	13	1	14
E. More	13	1	14
N. Stevens	27	2	29
R. Wheeler	13	1	14
Total	79	6	85

None of the other directors listed in the directors' report received any remuneration for the financial year ended 30 June 2011.

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

13 Related party 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 in the Directors' Report.

Details of the executive officers are as follows:

Philip McCrea, Chief Executive Officer and Monique McIntosh, Chief Operating Officer

(c) Compensation of key management personnel

	2011	2010
	\$'000	\$'000
Short term benefits	438	399
Post-employment benefits	22	12
Other long-term employee benefits	-	-
	-----	-----
Key management personnel compensation	460	411
	=====	=====

The remuneration and other terms of employment are formalised in contracts of employment.

(d) Transactions involving our related entities

The company received revenue from the NSW Department of Finance & Services, our ultimate parent entity, for the provision of managed services, and from Macquarie University for the provision of Service Desk support during fiscal 2011 and 2010.

	2011	2010
	\$'000	\$'000
Department of Finance & Services	1,399	1,240
Macquarie University	27	67
	-----	-----
Related entities transaction	1,426	1,307
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

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:

Agreements with various communication suppliers:

	2011	2010
	\$'000	\$'000
Minimum commitments payable are as follows:		
No later than one year	179	53
Later than one year but not later than five years	300	83
Later than five years	-	-
	-----	-----
Total (including GST)	479	136
	=====	=====

The total other expenditure commitments includes input tax credits of \$43,560 that are expected to be recoverable from the Australian Taxation Office.

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>	2011	2010
	\$'000	\$'000
Minimum commitments payable are as follows:		
No later than one year	901	596
Later than one year but not later than five years	2,029	1,903
Later than five years	-	-
	-----	-----
Total (including GST)	2,930	2,499
	=====	=====

The total accommodation and equipment commitments include input tax credits of \$203,556.

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

15 Segment reporting

The company operates in one business and geographical segment, being the provision of Managed Co-location Services in New South Wales.

	2011 \$'000	2010 \$'000
16 Reconciliation of profit to net cash inflows from operating activities		
Profit before tax	558	92
Depreciation of plant and equipment	1,839	1,320
Changes in operating assets and liabilities		
(Increase) in trade and other receivables	(117)	(742)
(Increase) in other assets	(238)	(40)
Increase/(Decrease) in prepaid revenue	220	(120)
Increase in trade creditors and provisions	551	349
Increase in other liabilities	115	66
Net cash provided by operating activities	2,928	925
	=====	=====

17 Auditor's remuneration

The auditor of the Australian Centre for Advanced Computing and Communications Pty Ltd is the Audit Office of New South Wales.

Amounts due and receivable by the Audit Office of New South Wales:

Assurance services	2011 \$'000	2010 \$'000
<i>Audit services</i>		
Audit of the financial statements	35	33
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

18 Financial instruments

Ac3's principal financial instruments are outlined below. These financial instruments arise from ac3's operations or are required to finance ac3's operations. Ac3 does not trade financial instruments. The Board is responsible for the oversight of risk management.

Financial assets	Note	Category	Carrying Amount 2011 \$'000	Carrying Amount 2010 \$'000
Class				
Cash and cash equivalents	5	N/A	2,462	1,800
Trade and other receivables 1	6	Receivables at fair value	1,615	1,499

Financial liabilities	Note	Category	Carrying Amount 2011 \$'000	Carrying Amount 2010 \$'000
Class				
Trade and other payables 2	9	Payables at fair value	1,544	997
Lease liabilities	11	Interest bearing liabilities at fair value	4,893	4128

1. Excludes statutory receivables and prepayments (not within scope of AASB 7)

2. Excludes statutory payables and unearned revenue/revenue received in advance (not within scope of AASB 7)

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

18 Financial instruments continued

Liquidity risk

The liquidity risk is minimal as the company has cash reserves available at call in addition to readily accessible standby facilities. Receivables are on terms of no more than 30 days payable from invoice date.

Fixed interest maturing and interest rate exposure of financial liabilities:

	Weighted interest rate	1 year or less	1 year to 5 years	More than 5 years	Non- interest bearing 1 year or less	Total
2011						
Financial liabilities						
Trade and other payables	-	-	-	-	1,544	1,544
Lease liabilities	9.5%	1,922	2,971	-	-	4,893
Total financial liabilities	-	1,922	2,971	-	1,544	6,437
2010						
Financial liabilities						
Trade and other payables	-	-	-	-	997	997
Lease liabilities	9.72%	1,606	2,522	-	-	4,128
Total financial liabilities	-	1,606	2,522	-	997	5,125

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

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 impairment, as disclosed in the statement of financial position and notes to the financial statements.

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.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the statement of financial position as per table below.

	Total \$'000	Past due but not impaired \$'000	Considered Impaired \$'000
2011			
Less than 3 months overdue	25	25	-
3 months to 6 months overdue	32	32	-
Greater than 6 months overdue	-	-	-
2010			
Less than 3 months overdue	309	309	-
3 months to 6 months overdue	49	49	-
Greater than 6 months overdue	-	-	-

Fair values

The carrying amount of the company's financial instruments is approximately its fair value.

Notes to the Financial Statements

for the year ended 30 June 2011

Australian Centre for Advanced Computing and Communications Pty Ltd

18 Financial instruments continued

Market/Price risk

Price risk is minimal due to 80% of revenue being derived from services provided. All capital equipment purchased by the company on behalf of customers was done so under the agreement of a signed contract and purchase order.

Interest Rate risk

The only component of market risk to which the company is exposed is interest rate risk. Our Interest rate risk is minimal due to fixed interest rates with all loans related to equipment lease agreements.

\$'000					
2011	Carrying Amount	-1% Profit	-1% Equity	1% Profit	1% Equity
Financial assets					
Cash and cash equivalents	2,462	(24)	(24)	24	24
Financial Liabilities					
Lease liabilities	4,893	49	49	(49)	(49)

2010	Carrying Amount	-1% Profit	-1% Equity	1% Profit	1% Equity
Financial assets					
Cash and cash equivalents	1,800	(18)	(18)	18	18
Financial liabilities					
Lease liabilities	4128	41	41	(41)	(41)

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.

--- End of Audited Financial Statements ---



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Waste Assets Management Corporation

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Waste Assets Management Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 23 March 2010 to 30 June 2011, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2011, and of its financial performance for the period 23 March 2010 to 30 June 2011 in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

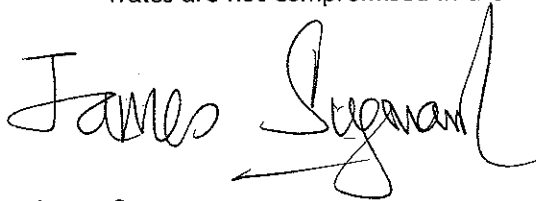
My opinion does *not* provide assurance:

- about the future viability of the Corporation
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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

A handwritten signature in black ink, reading 'James Sugumar'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James Sugumar
Director, Financial Audit Services

25 October 2011
SYDNEY

Waste Assets Management Corporation

Statement by the Chief Executive

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act, 1983*, I state that:

- (a) The accompanying financial statements have been prepared in accordance with:
 - applicable Australian Accounting Standards (which include Australian Accounting Interpretations); and
 - The requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions.
- (b) The financial statements exhibit a true and fair view of the financial position of the Waste Assets Management Corporation as at 30 June 2011 and its financial performance for the fifteen month period ended 30 June 2011.
- (c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



P Carbins
Chief Executive
Waste Assets Management Corporation
25 October 2011

Waste Assets Management Corporation

Statement of comprehensive income for the fifteen month period ended 30 June 2011

	Notes	Actual 2011 \$'000
Expenses excluding losses		
Operating expenses		
Personnel services	2(a)	1,870
Other operating expenses	2(b)	72,927
Depreciation and amortisation	2(c)	3,878
Finance costs	2(d)	1,256
Total expenses excluding losses		79,931
Revenue		
Sale of goods and services	3(a)	30,198
Investment revenue	3(b)	1,589
Grants and contributions	3(c)	72,856
Total revenue		104,643
SURPLUS FOR THE PERIOD	14	24,712
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		24,712

The accompanying notes form part of these financial statements.

Waste Assets Management Corporation

Statement of financial position as at 30 June 2011

	Notes	Actual 2011 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	5	75,335
Receivables	6	11,370
Other assets	7	926
Total Current Assets		87,631
Non-Current Assets		
Property, plant & equipment		
Landfill cell cost		18,003
Land and buildings		21,074
Plant and equipment		11,263
Total property, plant and equipment	8	50,340
Total Non-Current Assets		50,340
TOTAL ASSETS		137,971
LIABILITIES		
Current liabilities		
Payables	9	17,051
Provisions	10	23,698
Total current liabilities		40,749
Non-current liabilities		
Provisions	10	43,340
Total non-current liabilities		43,340
TOTAL LIABILITIES		84,089
NET ASSETS		53,882
EQUITY		
Accumulated funds		53,882
TOTAL EQUITY		53,882

The accompanying notes form part of these financial statements.

Waste Assets Management Corporation

Statement of changes in equity for the fifteen month period ended 30 June 2011

	Notes	Total Equity \$'000
Balance at March 2010		-
Surplus for the period		<u>24,712</u>
Total comprehensive income for the period		<u>24,712</u>
Transaction with owners in their capacity as owners		
Increase in net assets from equity transfers	11	29,170
Balance at 30 June 2011		<u>53,882</u>

The accompanying notes form part of these financial statements.

Waste Assets Management Corporation

Statement of cash flows for the fifteen month period ended 30 June 2011

	Notes	Actual 2011 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Personnel services related		(1,837)
Finance costs		(35)
Contract expense		(13,500)
Environmental levies		(21,143)
Other		(7,770)
Total Payments		<u>(44,285)</u>
Receipts		
Sales of goods and services		19,006
Interest received		1,589
Grants and contributions		72,856
Total Receipts		<u>93,451</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	<u><u>49,166</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment		(1,942)
Proceeds from sale of property, plant and equipment		45
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u><u>(1,897)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings and advances		3,500
Repayment of borrowing and advances		(3,500)
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u><u>-</u></u>
NET INCREASE IN CASH		47,269
Opening cash and cash equivalents		-
Cash transferred in as a result of an equity transfer		28,066
CLOSING CASH AND CASH EQUIVALENTS	5	<u><u>75,335</u></u>

The accompanying notes form part of these financial statements.

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

1. Summary of significant accounting policies

(a) Reporting entity

The Waste Assets Management Corporation (the Corporation) operates under the provisions of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010* to maintain and operate waste management centres, which include accepting of waste drop offs and maintaining safe landfills. The Corporation is a separate reporting entity, which includes its 50% interest in the joint venture.

The Corporation is a NSW government statutory body. The Corporation 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.

These financial statements for the fifteen month period ended 30 June 2011 have been authorised for issue by the Chief Executive on 25 October 2011.

(b) Administrative restructure

The Corporation was created, with effect from 23 March 2010, to facilitate retention by the state of landfill operations not part of the sale of WSN Environmental Solutions to SITA Environmental Solutions in January 2011.

(c) Basis of preparation

The Corporation's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)

- the requirements of the *Public Finance and Audit Act, 1983* and Regulation.

Property, plant and equipment are measured at fair value. Other financial statement 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 statements.

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

(d) Joint ventures

Jointly controlled assets

The proportionate interests in the assets, liabilities, revenue and expenses of a joint venture activity have been incorporated in the financial statements under the appropriate headings. Details of the joint venture are set out in note 17.

(e) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector agencies.

(f) Insurance

The Corporation'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.

(g) Accounting for the goods and services tax (GST)

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

- the amount of GST incurred by the Corporation 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.

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

(h) Revenue recognition

Revenue 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) Contributions

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

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

1. Summary of significant accounting policies (continued)

(h) Revenue recognition (continued)

(ii) Sale of goods

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

(iii) Liquid waste and biosolids

Revenue from the collection and treatment of liquid waste is recognised after the waste has been collected and treated.

(iv) Electricity sales

Product sales are generated from the sale of electricity generated from the Corporation's landfills. Revenues from product sales are recognised on an accruals basis. Product sales revenue is only recognised when the significant risks and rewards of ownership of the products have passed to the buyer and the Corporation attains the right to be compensated.

(v) Renewable Energy Certificates (RECs)

RECs are recorded as other assets at net realisable value when they are registered.

(vi) Rendering of services

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

Revenue, based on the stage of completion, is calculated by multiplying the rate per tonne by the number of tonnes of waste received during the period.

(vii) Investment revenue

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

(i) Assets

(i) Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Corporation. 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 at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer – Note 1(l)).

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

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

(ii) Landfills, cell development and provision for remediation

a. Landfills

The Corporation owns landfill assets. A landfill may be either

developed by the Corporation or purchased by the Corporation. The cost of developing a landfill includes the cost of permitting and overall site and infrastructure development to bring the asset to a condition necessary for its intended use, that is, to receive and dispose of waste.

It is the Corporation's policy at reporting dates to:

- assess impairment of each landfill asset or group of landfill assets which work together as a unit. If impaired an impairment loss is recorded
- measure the land value by reference to fair value determined by an independent valuation (carried out periodically every three years).

b. Cell development

A landfill will normally be divided into parts, with each part (a cell) being developed one at a time to receive waste. When a cell is nearly full, a new cell is developed in readiness to receive waste from the time the former cell closes. The closed cell is then capped and may return a revenue stream, such as from the sale of landfill gas, to the Corporation for years to come.

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

1. Summary of significant accounting policies (continued)	<i>c. Landfills closure and provision for remediation</i>	provision due to the passage of time is recognised in the statement of comprehensive income as a time value adjustment.
(i) Assets (continued)	A landfill is deemed full when its permitted airspace is consumed and it cannot legally accept any more waste. Alternatively, a landfill may be deemed full earlier should other factors exist, for example, if it is not economically viable to continue accepting waste. At that point the cost of cell development is fully amortised to nil.	(iii) Capitalisation thresholds
(ii) Landfills, cell development and provision for remediation (continued)	<p>Generally, a landfill must be maintained and left in a condition specified by the Environmental Protection Authority or other government authorities. Therefore rehabilitation occurs on an ongoing basis, at the time the landfill closes and also post-closure.</p>	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.
<i>b. Cell development (continued)</i>	<p>In recognition of the above, it is the Corporation's policy at time of development and reporting dates to:</p>	(iv) Revaluation of property, plant and equipment
<p>The cost of cell development includes earthworks, leachate and gas capture infrastructure and cell lining to bring the asset to a condition necessary for its intended use, that is, to receive and dispose of waste and generate revenue streams. Expenditure on cell development may be incurred in one reporting period but the airspace in the cell may last for more than that reporting period.</p>	<p>In recognition of the above, it is the Corporation's policy at time of cell development and reporting dates to:</p>	<p>Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 <i>Property, Plant and Equipment</i> and AASB 140 <i>Investment Property</i>.</p>
<p>In recognition of the above, it is the Corporation's policy at time of cell development and reporting dates to:</p>	<ul style="list-style-type: none"> • in the case of developing a landfill, provide for the expected rehabilitation at time of development • request environmental scientists to calculate the expected cost of rehabilitation for each landfill asset or group of landfill assets working together; and • assess the adequacy of the provision for rehabilitation at each reporting date and either confirm its adequacy or increase or decrease the provision to the landfill asset or profit and loss account as required and account for the cost of rehabilitation against the provision. 	<p>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.</p>
<ul style="list-style-type: none"> • capitalise the cost of cell development in landfill assets • amortise the expected cost of cell development over the useful life of the cell • recognise income streams in the reporting period earned 	<p>The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time. The annual change in the net present value of the</p>	<p>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.</p>
<p>The amortisation for a reporting period is calculated by the volume of airspace consumed during the reporting period divided by the total airspace available when the asset started being used. Future landfill site restoration and aftercare costs capitalised are depreciated at rates that match the pattern of benefits expected to be derived from use of the respective sites.</p>		

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

1. Summary of significant accounting policies (continued)

(i) Assets (continued)

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

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

Non-specialised assets with short useful lives are measured at depreciated historical cost, 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 are separately restated.

For other assets, any balances of accumulated depreciation 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.

(v) Impairment of property, plant and equipment

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

(vi) Depreciation of property plant and equipment

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

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

The normal life expectancies of major asset categories are as follows:

Asset class	Years
Buildings	4-20
Leasehold improvements	5-10
Plant & equipment	1-10
Specialised equipment	3-7
Furniture & fittings	3-5
Motor vehicles	3-5
Computers	1-4

Land is not a depreciable asset.

Landfills are depreciated based on volume consumed during the period.

(vii) 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. Operating lease payments are charged to the Statement of Comprehensive Income in periods in which they are incurred.

(viii) Maintenance

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

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

1. Summary of significant accounting policies (continued)

(i) Assets (continued)

(ix) 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 at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the surplus/deficit for the period 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.

(x) Other assets

Renewable Energy Certificates generated are stated at the lower of cost and net realisable value. 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.

(xi) 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 surplus/deficit for the period.

When a financial asset available for sale is impaired, the cumulative loss amount is removed from equity and recognised in the surplus/deficit for the period, 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 surplus/deficit for the period.

Any reversals of impairment losses are reversed through the surplus/deficit for the period, 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.

(j) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Corporation 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.

(ii) Borrowings

Loans are not held for trading and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the surplus/deficit for the period on de-recognition.

(iii) Provisions

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.

If the effect of the time value of money is material, provisions are discounted at 5.5%, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(k) Equity and reserves

(i) 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 Corporation's policy on the revaluation of property, plant and equipment as discussed in note 1(i)(iv).

(ii) Accumulated funds

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

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

1. Summary of significant accounting policies (continued)

(l) 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 is designated or required by Accounting Standards to be treated 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 not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

(m) Comparatives

No comparative information has been provided as the Corporation was created on 23 March 2010 and this is the first reporting period for the Corporation.

(n) New Australian Accounting Standards issued but not effective

The following new Accounting Standards and Interpretations have not been applied and are not yet effective. NSW Treasury TC 10/08 has mandated that agencies do not

early adopt any of the new Standards and Interpretations

– AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010) (effective for annual reporting periods beginning on or after 1 January 2013)

AASB 9 addresses the classification and measurement of financial assets and is likely to affect Waste Assets Management Corporation's accounting for its financial assets. The standard is not applicable until 1 January 2013 and Waste Assets Management Corporation is yet to assess its full impact.

– AASB 1054 *Australian Additional Disclosures*, AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* and AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements* (effective 1 July 2011)

The AASB and NZ FRSB have issued accounting standards that eliminate most of the existing differences between their local standards and IFRS. Where additional disclosures were considered necessary, they were moved to new standard AASB 1054. Adoption of the new rules will not affect any of the amounts recognised in the financial statements, but may simplify some of the Corporation's current disclosures. The Corporation intends to adopt

the standards from 1 July 2011.

The following new Accounting Standards have not been applied and are not yet effective. It is considered that the implementation of these Standards will not have any material impact on the Corporation's financial results:

AASB 10 *Consolidated Financial Statements*

AASB 11 *Joint Arrangements*

AASB 12 *Disclosure of Interests in Other Entities*

AASB 13 *Fair Value Measurement*

AASB 101 *Presentation of Financial Statements*

AASB 107 *Statement of Cash flows*

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*

AASB 110 *Events after the Reporting Period*

AASB 118 *Revenue*

AASB 119 *Employee Benefits* (September 2011)

AASB 124 *Related Party Disclosures*

AASB 127 *Separate Financial Statements*

AASB 128 *Investments in Associates and Joint Ventures*

AASB 132 *Financial Instruments: Presentation*

AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*

AASB 139 *Financial Instruments: Recognition and Measurement*

AASB 1031 *Materiality*

AASB 1053 *Application of Tiers of Australian Accounting Standards*

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

1. Summary of significant accounting policies (continued)	<i>Standards arising from the Trans-Tasman Convergence Project</i>	<i>from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements</i>
(n) New Australian Accounting Standards issued but not effective (continued)	<i>AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i>	<i>AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i>
<i>AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure requirements</i>	<i>AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments (AASB 1049)</i>	<i>AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13</i>
<i>AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets</i>	<i>AASB 2011-4 Amendments to Australian Accounting Standards to remove Individual Key Management Personnel Disclosure Requirements</i>	<i>AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i>
<i>AASB2010-8 regarding deferred tax: recovery of underlying assets</i>	<i>AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation</i>	<i>AASB 2011-11 Amendments to AASB119 (September 2011) arising from Reduced Disclosure Requirements</i>
<i>AASB 2010-9 regarding severe hyperinflation and removal of fixed dates for first time adopters</i>	<i>AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief</i>	<i>Interpretation 14 – AASB 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>
<i>AASB 2011-1 Amendments to Australian Accounting</i>		

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

2. Expenses excluding losses

	2011 \$'000
(a) Personnel services	
Permanent services	1,837
Temporary Contractors	33
	1,870
(b) Other operating expenses	
Administration	118
Auditors remuneration	
- audit of the financial statements	65
Consultancy	188
Contract expense	13,500
Freight and Postage	7
Host Fees	1,982
Information Management & Technology	68
Insurance	64
Landfill Operating Expenses	4,587
Landfill Rehabilitation Expenses	30,342
Legal	89
Maintenance	60
Motor Vehicles	1,529
Operating lease rental expense	232
Other expenses	6
Personnel Service Related Expenses	44
Taxes	156
Telecommunications	17
Travel and entertainment	5
Utilities and Cleaning	384
Waste levy expense	19,484
	72,927
<i>*Reconciliation - Total maintenance</i>	
Maintenance expense – contracted labour and other (non-employee related), as above	60
Employee related maintenance expense included in Note 2(a)	50
Total maintenance expenses included in Note 2(a) + 2(b)	110
(c) Depreciation and amortisation expense	
Depreciation of:	
Landfill cell costs	2,594
Land and Buildings	318
Plant and equipment	966
	3,878
(d) Finance costs	
Interest paid to TCorp	35
Unwinding of discount on landfill provision	1,221
	1,256

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

3. Revenue

	2011 \$'000
(a) Sale of goods and services	
Waste charges	10,421
Revenue from the sale of energy and products ¹	1,313
Waste levy revenue	18,464
	30,198
(b) Investments revenue	
Interest received	1,589
	1,589
(c) Grants and contributions	
Cash contributions received from:	
Budget Sector Agencies	72,856
	72,856

¹ Includes revenue from the sale of electricity and from the sale of green products, such as Renewable Energy Certificates (RECs). No RECs were sold for the period ended 30 June 2011, however they are included in revenue at time of registration. Unsold REC's at 30 June 2011 are recorded as other assets.

4. Individually significant items

The Corporation reassessed the provision for the Land Rehabilitation Fund vested in it and increased this by \$30,342,231 to represent the net present value of the liability.

The Corporation was provided funding by the Crown Entity to cover all future land rehabilitation expenses. An amount of \$48,942,000 was recorded in grant revenue.

5. Currents assets - cash and cash equivalents

	2011 \$'000
Cash at bank and on hand	1,699
NSW Treasury Corporation: Hour-Glass Cash Facilities	73,636
	75,335

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

5. Currents assets - cash and cash equivalents (continued)

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

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

	2011
	\$'000
Cash and cash equivalents (per statement of financial position)	75,335
Closing cash and cash equivalents (per statement of cash flows)	75,335

Cash balances include \$69,124,095 that is restricted and can only be spent on the purpose, primarily rehabilitation of landfill sites, for which it was granted to the Waste Assets Management Corporation.

Refer to Note 16 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

6. Current assets - receivables

	2011
	\$'000
Sale of goods and services	10,614
Prepayments	756
	11,370

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 16.

7. Current assets - other

	2011
	\$'000
Renewable Energy Certificates	926
	926

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

8. Non-current assets - property, plant and equipment

	Landfill cell cost \$'000	Land & buildings \$'000	Plant & Equipment \$'000	Total \$'000
At 30 June 2011 – fair value				
Gross carrying amount	20,597	21,392	13,791	55,780
Accumulated depreciation and impairment	(2,594)	(318)	(2,528)	(5,440)
Net carrying amount	18,003	21,074	11,263	50,340

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Landfill cell cost \$'000	Land & buildings \$'000	Plant & Equipment \$'000	Total \$'000
Period ended 30 June 2011				
Net carrying amount at start of period	-	-	-	-
Additions	1,824	38	80	1,942
Disposal	-	-	(45)	(45)
Net asset transfer through equity	18,773	21,354	12,194	52,321
Depreciation expense	(2,594)	(318)	(966)	(3,878)
Net carrying amount at the end of the period	18,003	21,074	11,263	50,340

Valuations of landfill cells, land and buildings

Landfill cells, land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. The fair values are recognised in the financial statements of the Corporation, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

9. Current liabilities - payables

	2011 \$'000
Trade payables	241
Payable to other government agencies	5,133
Waste levy payable	7,456
Other Creditors	4,221
	17,051

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 16.

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

10. Current / non-current liabilities - provisions

	Prov. for Landfill rehabilitation \$'000	Prov. for Cost to Complete Projects \$'000	Total \$'000
Current provision	4,896	18,802	23,698
Non-current provision	43,340	-	43,340
Carrying amount at end of reporting period	48,236	18,802	67,038

Movements in provisions

Movements in each class of provision during the financial period are set out below:

	Prov. for Landfill rehabilitation \$'000	Prov. for Cost to Complete Projects \$'000	Total \$'000
Carrying amount at the beginning of the period	-	-	-
Provision transfer through equity	18,600	18,888	37,488
Additional provisions recognised during the period	30,342	1,985	32,327
Amounts used	(1,927)	(2,071)	(3,998)
Unwinding / change in the discount rate	1,221	-	1,221
Carrying amount at end of reporting period	48,236	18,802	67,038

Provision for Landfill rehabilitation:

- Funding was received from Treasury to incur landfill rehabilitation costs on closed landfills, till 2055.
- The valuation is externally carried out by appropriately qualified environmental engineers on a triennial basis. At the end of each reporting period, the assessment is adjustment for expenditure incurred and the effect of the time value of money. For reasonability, the revised provision is compared against its face value.

Provision for Cost to Complete Projects include:

- WSN Environmental Solutions liabilities which were vested in WAMC on 31/01/2011 include Lucas Heights Dig Deep, Lucas Heights Sportsfield and Enhancement Fund.
- Host fees payable to entities or community projects based on tonnes placed into landfills
- Cost to Complete Projects are either based on contractual obligations, internal assessments of the costs to complete a project or legal obligations to make per tonne contributions to community projects. No allowance is made for the time value of money as these are all current liabilities.

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

11. Increase in net assets from equity transfers

Components of WSN Environmental Solutions not transferred to SITA as part of the sale, were vested in Waste Assets Management Corporation.

	2011
	\$'000
ASSETS	
Cash and cash equivalents	28,066
Receivables	1,104
Property, Plant & Equipment	52,321
TOTAL ASSETS	81,491
LIABILITIES	
Payables	14,833
Provisions - current	22,656
Provisions - Non current	14,832
TOTAL LIABILITIES	52,321
NET ASSETS	29,170
EQUITY	
Accumulated Funds	29,170
TOTAL EQUITY	29,170

12. Commitments for expenditure

(a) Operating lease commitments

Future non-cancellable operating lease rentals not provided for and payable:

	2011
	\$'000
Not later than one year	453
Later than one year and not later than five years	755
Total (including GST)	1,208

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

12. Commitments for expenditure (continued)

(b) Capital expenditure commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Property, plant and equipment:

Not later than one year	1,035
Total (including GST)	1,035

(c) Other expenditure commitments

Aggregate other expenditure contracted for at the reporting date but not recognised as a liability:

Not later than one year	1,393
Later than one year and not later than five years	1,476
Later than five years	2
Total (including GST)	2,871

13. Contingent liabilities and contingent assets

(a) Contingent assets

There are no known contingent assets as at the date of this report.

(b) Contingent liabilities

Past rehabilitation obligations of WSN Environmental Solutions were vested in the Corporation. The Corporation is investigating a further potential rehabilitation obligation and at 30 June 2011 the Corporation had not yet reached a point where the potential obligation could be measured reliably.

14. Reconciliation of cash flows from operating activities to surplus for the period

	2011
	\$'000
Net cash flows from operating activities	49,166
Depreciation	(3,878)
Increase in receivables	10,266
Increase in other assets	926
Increase in payables	(2,218)
Increase in other provisions	(29,550)
Surplus for the period	24,712

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

15. Non-cash investing and financing activities

	2011 \$'000
Property, plant and equipment by means of equity transfer	52,321

Property, plant and equipment received by means of equity transfer from WSN Environmental Solutions, is disclosed in Note 11.

16. Financial instruments

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

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

The Chief Executive has overall responsibility for the

establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Corporation, to set risk limits and controls to monitor risks. Compliance with policies is reviewed by the Chief Executive and Senior Management on a regular basis.

Financial instrument categories:

Financial Assets	Notes	Category	Carrying amount
			2011 \$'000
Class:			
Cash and cash equivalents	5	N/A	75,335
Receivables ¹	6	Loans and receivables (at amortised cost)	10,614

Financial Liabilities	Notes	Category	Carrying amount
			2011 \$'000
Class:			
Payables ²	9	Financial liabilities measured at amortised cost	16,354

Notes

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

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

16. Financial instruments (continued)

(a) Credit Risk

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

Credit risk arises from the financial assets of the Corporation, including cash, receivables, and authority deposits. No collateral is held by the Corporation. The

Corporation has not granted any financial guarantees.

Credit risk associated with the Corporation's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances which earn interest daily.

Hour-Glass Investment Facilities

The Corporation has placed funds on deposit investments in Hour-Glass Investment facilities with TCorp, which has been rated "AAA" by Standard and Poors.

The Corporation's investments are represented by a number of units in managed investments within the facilities.

TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines.

None of these assets are past due or impaired.

	Weighted Average Effective Interest Rate %	Floating Interest Rate %	1 year or less \$'000	1 to 5 years \$'000	More than 5 years \$'000	Non Interest Bearing \$'000	Total Carrying Amount as per the Balance Sheet \$'000
30/06/2011							
Financial Assets							
Cash	4.6%	4.6%	1,698	-	-	1	1,699
Hour-Glass Investments / Cash Facility	5.6%	4.4%	73,636	-	-	-	73,636
Total Financial Assets			75,334	-	-	1	75,335

Receivables – trade debtors

All trade and other debtors are recognised as amounts receivable at balance date. Collectability of all debtors are reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts, which are known to be uncollectible, are written off.

An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and the debtor's credit ratings. No interest is earned on trade debtors. Sales are generally made on 30 day terms.

96% of the trade debtors balance is represented by one debtor, who has a low credit risk.

Based on past experience, debtors that are past due more than three months are considered impaired. There are no debtors which are currently past due or impaired whose terms have been renegotiated.

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

16. Financial instruments (continued)

(a) Credit Risk (continued)

	Total^{1,2}	Past due but not impaired^{1,2}	Considered impaired^{1,2}
	\$'000	\$'000	\$'000
2011			
< 3 months overdue	68	68	-

Notes

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

(b) Liquidity Risk

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

During the current period, there were no defaults or breaches on any loan payable.

No assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods and 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 statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. Although not required, the applicable interest rate for the period was 13%.

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

	Weighted Average Effective Int. Rate %	Nominal Amount \$'000	Interest Rate Exposure \$'000			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000
2011								
Payables	-	16,354	-	-	16,354	15,641	713	-
		16,354	-	-	16,354	15,641	713	

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

16. Financial instruments (continued)

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposure to market risk are primarily through price risks associated with the movement in the unit price of the Hour-Glass Investment Facilities. The Corporation has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information

below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Corporation operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis assumes that all other variables remain constant.

The Corporation does not account for any fixed rate

financial instruments at fair value through profit or loss or as available-for-sale.

Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Corporation's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2011					
<i>Financial Assets</i>					
Cash at bank and on hand	1,699	(17)	-	17	-
<i>Financial Liabilities</i>					
Payables	16,354	164	-	(164)	-

Other price risk – TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment facilities, which are held for strategic rather than trading purposes. The Corporation has no direct equity investments. The Corporation holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2011 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	30,756
Strategic Cash facility	Cash, money market instruments	1.5 years to 3 years	42,880

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

16. Financial instruments (continued)

(c) Market Risk (continued)

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate

agreed to by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Corporation's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using

historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility.

	Impact on profit/loss	
	Change in unit price	2011 \$'000
Hour-Glass Investments	1%	736
Hour-Glass Investments	-1%	(736)

(d) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on the Corporation's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of many of the financial instruments.

(e) Fair value recognised in the statement of financial position

The Corporation uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Derived from quoted prices in active markets for identical assets/liabilities
- Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly
- Level 3 – Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs)

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

16. Financial instruments (continued)

(e) Fair value recognised in the statement of financial position (continued)

	Level 1	Level 2	Level 3	2011 Total
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value				
Hour-Glass Investments / Cash Facility	-	73,636	-	73,636
	-	73,636	-	73,636

The table above only includes financial assets, as no financial liabilities were measured at fair value in the statement of financial position.

There were no transfers between level 1 and 2 during the period ended 30 June 2011.

17. Interests in joint ventures

Jointly controlled assets

The Corporation has entered into a joint venture called Eastern Creek 2 Landfill Gas Joint Venture with LMS Generation Pty Limited to capture gas from landfills and therewith to generate electricity. The Corporation has a 50% participating interest in this joint venture and is entitled to 50% of its output of electricity generated and Renewable Energy Certificates. The Corporation's interests in the assets employed in the joint venture are included in the balance sheet, in accordance with the accounting policy described in note 1(d).

	2011 \$'000
Share of corporation's assets and liabilities	
Current assets	33
Non-current assets	4,562
Total assets	4,595
Current liabilities	79
Total liabilities	79
Net assets	4,516

Share of corporation's revenue, expenses and results

Revenue	-
Expenses	(710)
Net loss before income tax	(710)

Each of the shareholders in Eastern Creek 2 Landfill Gas Joint Venture with LMS Generation Pty Limited are jointly and severally liable for the debts of the company. The assets of the company exceed its debts.

Waste Assets Management Corporation

Notes to the Financial Statements for the fifteen month period ended 30 June 2011

18. After balance date events

There were no after balance date events which would have a material impact on these financial statements.

[END OF AUDITED FINANCIAL STATEMENTS]

APPENDICES

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1	Accounts payable performance
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17	Department of Finance and Services offices – includes addresses, office hours and websites



Appendix 1 Accounts payable performance

For divisions:

Corporate Services; Government Services; Legal and Governance; NSW Fair Trading (Operations); NSW Fair Trading (National Reform Agenda); NSW Industrial Relations; NSW Public Works; Policy, Ministerial and Executive Services.

Aged analysis at the end of each quarter

Quarter	Current \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 60 and 90 days overdue \$'000	More than 90 days overdue \$'000	Total \$'000
September 2010	44,091	6	60	1	3	44,161
December 2010	35,618	1,045	136	98	226	37,123
March 2011	42,992	1,480	204	150	54	44,880
June 2011	45,364	168	95	6	31	45,664

Percentage paid on time within each quarter

Quarter	Target %	Actual %	Amount paid on time \$'000	Total amount paid \$'000
September 2010	85	93	436,082	471,372
December 2010	85	89	294,354	331,511
March 2011	85	87	276,522	319,458
June 2011	85	90	620,943	690,585

Land and Property Information

Aged analysis at the end of each quarter

Quarter	Current \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 60 and 90 days overdue \$'000	More than 90 days overdue \$'000	Total \$'000
September 2010	1,529	5	1	0	1	1,536
December 2010	1,297	148	22	0	3	1,470
March 2011	4,133	787	62	8	69	5,059
June 2011	4,771	517	119	17	36	5,460

Percentage paid on time within each quarter

Quarter	Target %	Actual %	Amount paid on time \$'000	Total amount paid \$'000
September 2010	90	95	20,349	21,437
December 2010	90	92	15,840	17,199
March 2011	90	89	13,451	15,103
June 2011	90	90	22,733	25,226

Note: The report does not include payments made to employees, payments related to payroll and super funds (as they are not external creditors) or corporate credit cards payments (as they are automatically settled on time each month). The payment statistics (performance) are calculated on the end of the following month basis. That is, statistics are calculated on the basis that payments are made by the end of the month following the month in which an invoice or statement is received.

Office of State Revenue

Aged analysis at end of each quarter 2010/11

Quarter	Current (within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	More than 90 days overdue
September 2010	494,262	0	0	0	0
December 2010	96,863	0	0	0	0
March 2011	284,846	0	0	0	0
June 2011	0	0	0	0	0

Percentage paid on time within each quarter

Quarter	Total accounts paid on time			\$m	Total amount paid (\$m)
	Target (%)	Actual			
		Number (%)	Value (%)		
September 2010	98.5	99.00	99.65	30.82	30.93
December 2010	98.5	99.09	99.61	16.85	16.92
March 2011	98.5	98.61	94.06	9.95	10.58
June 2011	98.5	98.31	96.24	18.67	19.40

There was no late payment penalty interest paid during the year.

Appendix 2 Annual report preparation

The Department of Finance and Services' annual report was produced in-house. Production costs were \$3,060 and included editing, cover design, printing and binding. The report is also available in PDF on the Department of Finance and Services website www.services.nsw.gov.au/about-us/library.

Appendix 3 Consultants

Engagements over \$50,000

Consultant	Office	Category & Purpose	Expenditure
Deloitte Touche Tohmatsu	Corporate Services	Information Technology - Advisory services provided in relation to strategy for a public trading enterprise.	\$126,000
Doll Martin Associates Pty Ltd	Corporate Services	Information Technology - Advisory services provided in relation to ICT strategy.	\$91,000
Ernst & Young	Government Services (StateFleet)	Information Technology - Advisory services provided in relation to StateFleet's Asset Management System which included Review of Current Asset Management System, identify key functionality gaps and proposal of a long term solution.	\$114,207
Creative Crew	Office of State Revenue	Information Technology - Consulting for IT solutions for Office of State Revenue Information Services Architectural Strategy	\$63,273
McLachlan Lister Pty Ltd	Corporate Shared Service Reform Program	Management Services - Review of Program Management Office and Vendor Management	\$208,280
Ernst & Young	Government Services (Procurement)	Management Services - Advisory services in the establishment of State Contracts Control Board Agency Accreditation.	\$411,867
Portland Group Pty Ltd	Government Services (Procurement)	Management Services - Agency Accreditation Scheme to develop objective assessment criteria and tools and assess NSW Procurement.	\$84,598
University of Western Sydney	Land and Property Information	Management Services - Advice on NSW mass valuation system	\$106,280
Sinclair Knight Merz	Land and Property Information	Management Services - Advice on SIX – geospatial information project	\$85,721
Le Grice Research	Land and Property Information	Management Services - Valuation 'objections' advice	\$71,050
Blue Seed Consulting Pty Ltd	Corporate Services	Organisational Review - Consultancy services on Change Management strategies	\$86,243
Evans & Peck Services	Policy	Organisational Review - Review on structure and operations of Government Chief Information Office	\$82,996
Price Waterhouse Coopers	Policy	Organisational Review - Review of the Department's shared and corporate services in line with Department of Premier and Cabinet Blueprint	\$68,725
Deloitte Touche Tohmatsu	Policy	Organisational Review – Operating model for ICT policy and operations groups	\$132,826
Accenture Australia Holdings P/L	Government Services (Service First)	Organisational Review - ServiceFirst Business Case and Implementation Plan	\$1,067,326
Ernst & Young	Government Services (Service First)	Organisational Review - Pricing Methodology	\$236,855
Accenture Australia Holdings Pty Ltd	Government Services (Service First)	Organisational Review - Service First Transition Toolkit	\$182,010
PMWorks Pty Ltd	Government Services (Service First)	Organisational Review - ServiceFirst Enterprise Project Management Office Establishment Plan	\$153,560

Consultant	Office	Category & Purpose	Expenditure
Portland Group Pty Ltd	Government Services (Service First)	Organisational Review - Competitive Dialogue-Frame Work and Process	\$149,000
Third Horizon Consulting Partners Pty Ltd	Government Services (Service First)	Organisational Review - ICT Strategic Plan	\$117,255
Property Beyond Pty Ltd	Government Services (Service First)	Organisational Review - Accommodation Strategy	\$65,000
Total engagements over \$50,000			\$3,704,072

Engagements under \$50,000

Category	Number of engagements	Expenditure
Finance and Accounting/Tax	2	\$45,311
Information Technology	8	\$207,878
Management Services	12	\$225,421
Organisational Review	5	\$172,512
Training	1	\$46,800
Total Engagements under \$50,000		\$697,922
Total cost of consultancies		\$4,401,994

Appendix 4 Consumer response

NSW Fair Trading

NSW Fair Trading publishes Customer Service Standards, which detail the delivery standards that the public can expect when interacting with the Department of Finance and Services. During 2010/11, all published standards were met. NSW Fair Trading's feedback system, 'Your Opinion Counts', was replaced on 22 November 2010 by the Department of Finance and Services Customer Feedback Management Policy. The new system introduced improved procedures for capturing feedback which enables customers to lodge responses at a counter, over the telephone, through the mail or on the NSW Fair Trading website (www.fairtrading.nsw.gov.au)

In 2010/11, 570 customer feedback responses were received from consumers and traders, comprising of 272 (47.7%) compliments, 57 (10%) suggestions, 241 (42.3%) complaints. Compliments expressed praise for various aspects of customer service, especially service quality, staff helpfulness and professionalism. Through a process overseen by senior management, the 241 complaints were reviewed and addressed. Fair Trading actively monitors its customer complaint handling performance and evaluates customer complaint volumes and trends for service improvement purposes. The new Customer Feedback system also introduced a new range of categories for complaint classification.

Complaints related to:

Basic/unfair treatment/tone	6.7%	Limits to powers/authority	0.5%
Delays	8.8%	Faulty procedures	6.7%
Denial of natural justice	0.5%	Poor customer service	12.8%
Failure to deal appropriately with complaint	17.9%	Inaccurate information/wrong decision	15.9%
Lack of feedback/response	11.8%	Other	18.4%

Customer profile survey

NSW Fair Trading's annual Customer Profile Survey assessed the extent to which people from culturally and linguistically diverse (CALD) communities are using its services. The result indicated the proportion of Fair Trading clients from CALD backgrounds exceeds their representation in the NSW population, indicating the services are needed by these communities and that there are no systemic barriers to accessing them.

NSW Fair Trading customer profile

	2006/07	2007/08	2008/09	2009/10	2010/11	Target*
Aboriginal and Torres Strait Islanders	2.3%	2.6%	2.6%	2.2%	2.8%	≥ 2.1%
CALD	32.1%	27.8%	29.4%	32.4%	30.4%	≥ 26%

* Population representation in 2006 Census

Government Services**NSW Procurement Client Support Centre**

During 2010/11 the volume of procurement support calls was impacted by various government initiatives including Jobs NSW and the *Local Jobs First Plan*. Performance measures indicate an improvement in first level resolution and continuing high level of customer service.

2010/11 Client Support Centre statistics:

	2009/10	2010/11
Total number of enquiries	29,108	28,078
Total number resolved first level	22,104	22,466
% first level	75.94%	80.01%
Total number resolved in Service Level Agreement (SLA)	27,026	26,837
% calls resolved in SLA	92.85%	95.06%
Compliments	471	370
Complaints	7	5

2010/11 Client Support Centre statistics by query type:

State contracts	9,934	35.38%	Up 8%
Jobs NSW	7,381	26.29%	Up 48%
NSW eTendering	4,672	16.64%	Down 17%
smartbuy®	4,140	14.74%	Down 33%
Construction	1,133	4.04%	Up 85%
Procurement Policy	664	2.36%	Up 4%
Others	154	0.55%	Down 91%
Total	28,078	-	Down 4%

ServiceFirst

ServiceFirst implemented a number of initiatives during 2010/11 to improve service efficiency and customer satisfaction. These initiatives include:

Implementation of the ServiceFirst Service Centre Portal in December 2010. The Service Centre Portal provides an on-line interface into ServiceFirst IT and is an alternative option for customers to use to log and track their own calls. The Service Centre Portal also provides information to customers via a Bulletin Board on current issues and changes which may affect the IT systems they utilise.

During 2010/11, ServiceFirst realigned the ServiceFirst business structures to re-focus effort on consistent service delivery and customer engagement.

ServiceFirst also commenced and implementation of Lean Six Sigma methodologies across the business and implemented a new service partnership framework.

OneServiceFirst was delivered through the integration and streamlining of service delivery functions including Information Technology, Finance, Human Resources and Office Services (Facilities).

StateFleet

Eighty per cent of StateFleet staff have frontline contact with clients primarily by phone, with some face to face contact as required. StateFleet holds an annual fleet managers conference and maintains a formal compliments and complaints register. In the reporting year several compliments were received by StateFleet staff across various areas. No complaint was received in the reporting year.

2010/11 Performance Indicators:

Service Group	Indicator/Measure	Target 2010/11	Actual 2010/11	Target 2011/12	Comment
StateFleet	Manage motor vehicle clearance rates at initial auction between 70% to 80%	70-80%	83%	70-80%	Target exceeded for the year.

ICT Strategic Delivery

In 2010/11 ICT Strategic Delivery received in total 12 compliments and 3 complaints, one of which was resolved within 21 days and two which have been agreed to with actions under implementation.

NSW Industrial Relations

In 2010/11, NSW Industrial Relations (NSWIR) received seven complaints or suggestions related to its IR Service Delivery branch, ten related to its Education and Information Services branch and one related to its Analysis and Review (Policy) branch.

Complaints received by the IR Service Delivery branch have been in relation to Fair Work complainants alleging a lack of progression and/or contact from Investigators in relation to their complaint. NSWIR handle customer service complaints from approximately 2 per cent of complainants. The branch has recently introduced a number of support strategies for staff in relation to the handling of Fair Work Investigation Files. The Program Co-ordination Unit and Team Leaders are managing client expectations as a part of Case Management of Fair Work Complaint files; this occurs on a fortnightly basis. In support of this process Team Leaders are responsible for managing Investigators and meet with them on a weekly basis to ensure file progression and contact with the parties.

Of the enquiries or complaints received by the Education and Information Services branch, either a response was provided by return email or some action was taken, such as fixing broken links to information on the website. Two complaints related to the closure of NSWIR's Awards Online web site, where industrial organisations required ongoing access to some consolidated NSW state awards. By negotiation, some temporary consolidated awards were restored to the NSWIR website.

The business application ELF (emails, letters & faxes) is being extended to include all enquiries, complaints or compliments received from the public not just those received by the IR Service Delivery branch. This will provide a complete database for better analysis of the interaction of the public with NSWIR.

Land and Property Information

The Land and Property Information division (LPI) received feedback from 2,438 customers. The 'Customer is our Focus' program accounted for the majority of customer responses with 91 per cent containing positive comments on the service offered by LPI. These positive comments praised the efficacy of LPI's systems and the friendliness and helpfulness of the LPI's staff. The small amount of negative feedback received generally related to value for money, fees and the accessibility of information on the website.

In response to customer feedback changes were made to signage and directions, new information brochures and fact sheets were created, the LPI website was improved to include more informative material and the online shop was enhanced.

LPI implemented a new Complaints and Feedback Handling System in May 2011. In conjunction with this new system the 'Customer is our Focus' form was redesigned to survey customers on all service channels rather than the traditional face to face service allowing Queens Square Customer Service to measure customer satisfaction. During the initial month the customer satisfaction results have been: website 86 per cent; telephone 93 per cent; face to face service 97 per cent and email 100 per cent.

The Valuation Customer Service Centre implemented a separate 1300 number for professional land tax investors. The customer satisfaction surveys from 2008 and 2010 indicated that a different type of service was required by these investors. A flyer was mailed out to 2500 land tax clients who fell within set parameters as a pilot for the new phone service. Statistics indicate that the service was poorly utilised, indicating that a different method of advice about the service is required or that the service itself will not be utilised sufficiently to make it worthwhile.

First call resolution in the Valuation Customer Service Centre is approximately 90 per cent, with the average call answer time of 14 seconds.

LPI has a Customer Service Liaison Committee which meets monthly to discuss common customer service issues and share practices.

NSW Public Works

NSW Water Solutions conducts annual project-level surveys to assess client satisfaction. In 2010/11, NSW Water Solutions' clients expressed a high level of satisfaction with an average rating of 87 per cent which exceeded the target level of 80 per cent.

The Project Management Group conducts client surveys throughout the year. For 2010/11 the Project Management Group Client Satisfaction Score is 83.1 per cent and is above the target of 80 per cent. The measure is based on random project level surveys and reflects client satisfaction with management of project risks, staff responsiveness and capability and project outcomes.

In the Government Architect's Office the process of surveying clients is currently under review and no surveys were conducted in the financial year 2010/11.

Office of State Revenue

Client complaints by issue:

Issue	Number of complaints
Customer service	23
Dispute regarding decision	0
EPAY/internet/interactive/voice recognition	5
Lack of/delayed response to correspondence	7
Notices not received/address errors	0
Payment issue	0
Request for withdrawal from enforcement	2
Other	4
Total	41

All client feedback is directed to the Client Feedback Coordinator who records this on our client feedback database. Complaints and suggestions are acknowledged in writing and referred to the manager of the responsible unit. The manager investigates the matter and advises the client of the outcome.

Appendix 5 Credit card certification

In accordance with Treasurer's Directions and Premier's Memoranda, the Director-General certified that corporate credit card use in Department of Finance and Services and its two new divisions, Office of State Revenue and Land and Property Information, during 2010/11 has been in accordance with established Government requirements and practices.

Appendix 6 Employment statistics

Department of Finance and Services Staff numbers

	At 30 June 2008 ¹	At 30 June 2009 ¹	At 30 June 2010 ¹	At 30 June 2011 ¹
Archivist	33.61	32.31	29.1	32.54
Clerical Assistant	2	2	2	2
Clerical Officer	124.15	6.2	4	6
Clerk	3,071.70	3,253.05	2692.62	3867.64
Conservator	2.82	2	2	2.9
Corporate Management	-	-	-	15.8
Departmental Officers	-	-	-	1085.8
Legal Officer	24.9	28.6	25.6	25.2
Professional	242.54	256.74	251.81	246.81
Project	2	2	2	2
Property Management	-	-	-	89
Senior Executive Service	51.6	33.9	31	57
Senior Management	41.6	23.6	25.6	22
Senior Officer	174.3	198	154.3	207.89
Technical	19.2	13.2	11.6	21.6
Wages	136	137	136	157
Other General Divisions	11.5	11.57	10.1	12.21
Total	3,937.92	4,000.17²	3,377.73	5,853.39³

Note 1: Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay)

Note 2: 613 of total made up of NSW BusinessLink (included in the Department of Commerce till 30 June 2010)

Note 3: Total includes the staff transferred to the Department of Finance and Services in April 2011: Land and Property Information; Office of State Revenue; Metropolitan Water Directorate; Corporate and Shared Services Reform; State Property Authority; Waste Assets Management Corporation; Long Service Corporation.

Senior Executive Service

Senior Executive Service positions by level	At 30 June 2009	At 30 June 2010	At 30 June 2011
8	1	1	1
7	0	0	0
6	2	3	4
5	6	6	11
4	10	9	11
3	11	8	16
2	2	4	7
1	0	0	1
Total	32	31	51
Positions filled by women	3	3	7
Unattached staff	0	0	0

Note 1: Includes State Records Authority, Office of State Revenue, Land and Property Information, State Property Authority, Corporate & Shared Services Reform and Waste Assets Management Corporation.

Equal Employment Opportunity (EEO) Statistics

Table A - Trends in the representation of EEO groups ¹

EEO Group	Benchmark or Target	% of total staff ²			
		2008	2009	2010	2011 ⁷
Women	50%	45%	45%	45%	49%
Aboriginal people and Torres Strait Islanders	2.6% ³	3%	2%	2%	2%
People whose first language was not English	19%	25%	25%	26%	24%
People with a disability	NA ⁴	9%	8%	8%	7%
People with a disability requiring work-related adjustment ⁵	1.1% (2011) 1.3% (2012) 1.5% (2013)	3%	3%	3%	3%

Table B – Trends in the distribution of EEO groups ⁶

EEO Group	Benchmark or Target	Distribution Index ²			
		2008	2009	2010	2011 ⁷
Women	100	88	89	90	89
Aboriginal people and Torres Strait Islanders	100	76	78	85	89
People whose first language was not English	100	96	97	96	96
People with a disability	100	96	97	97	95
People with a disability requiring work-related adjustment	100	89	88	89	88

Information for the above tables is provided by the Workforce Profile Unit, Public Sector Workforce Branch, Department of Premier and Cabinet.

Note 1: Staff numbers are at 30 June 2011

Note 2: Excludes casual staff

Note 3: Minimum target by 2015

Note 4: Per cent employment levels are reported but a benchmark level has not been set.

Note 5: Minimum annual incremental target

Note 6: A distribution index of 100 indicates that the centre of distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at the lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. An index more than 100 indicates that the EEO group is less concentrated at the lower salary levels.

Note 7: This includes Office of State Revenue, Land and Property Information, State Property Authority, and the Corporate and Shared Services Reform unit; excludes Long Service Corporation, Metropolitan Water Directorate.

Appendix 7 Government Information (Public Access)

The Department of Finance and Services received a total of 336 access applications under the *Government Information (Public Access) Act 2009* (GIPA) in the 2010/11 financial year. Of these, 49 were transferred to other agencies, ten were withdrawn by the applicants and 18 carried forward to 2011/12.

Statistical information as described in Schedule 2 of the GIPA Regulation 2009, which includes applications processed by former Department of Services, Technology and Administration, Office of State Revenue and Land and Property Information divisions is provided below.

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	16	2	0	1	1	0	0	2
Members of Parliament	17	5	1	0	0	2	0	3
Private sector business	20	14	0	3	2	1	0	1
Not for profit organisations or community groups	11	2	1	1	0	0	0	0
Members of the public (application by legal representative)	13	11	1	2	0	1	0	1
Members of the public (other)	77	33	9	8	1	2	1	3

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	16	3	1	1	0	0	0	0
Access applications (other than personal information applications)	125	53	11	14	4	5	1	9
Access applications that are partly personal information applications and partly other	13	11	0	0	0	1	0	1

*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	11
Application is for excluded information of the agency (section 43 of the Act)	1
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	12
Invalid applications that subsequently became valid applications	7

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used*
Overriding secrecy laws	1
Cabinet information	6
Executive Council information	0
Contempt	0
Legal professional privilege	4
Excluded information	1
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of occasions when application not successful
Responsible and effective government	32
Law enforcement and security	14
Individual rights, judicial processes and natural justice	42
Business interests of agencies and other persons	13
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	229
Decided after 35 days (by agreement with applicant)	16
Not decided within time (deemed refusal)	14
Total	259

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	3	5	8
Review by Information Commissioner*	0	1	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by Administrative Decisions Tribunal	0	0	0
Total	3	6	9

*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	6
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	4

Appendix 8 Funds granted to non-government community organisations

NSW Fair Trading

NSW Fair Trading provides grants to not-for-profit organisations for the provision of community education, advice and advocacy services for tenants, retirement village residents, residential parks residents and consumers who need assistance to deal with personal financial difficulties. In line with the NSW Government's social justice policy, these grants promote the principles of access, equity and diversity. Other 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.

Funding Agencies Support Service (FASS)

This major initiative utilises the extensive public register data maintained by Fair Trading, in conjunction with its expert knowledge of incorporated associations and non-distributing co-operatives, to assist government agencies better administer the allocation of grant funds to these entities. With nearly 35,000 incorporated associations and 440 non-distributive co-operatives registered in NSW, the collation and analysis of this data provides agencies with a valuable assessment tool to verify that grant applicants satisfy funding guidelines, and present as appropriate funding recipients that are compliant with the legislation administered by the Registry. Demand for the service has been steadily growing with a number of funding agencies and peak industry groups now accessing the service.

Program: Tenants Advice and Advocacy Program 2010/11

In 2010/11, 23 community organisations were funded under the Tenants Advice and Advocacy Program (TAAP) to provide advice and advocacy on tenancy matters, with 33,024 people assisted. Of these, 14 per cent required assistance at the Consumer, Trader and Tenancy Tribunal.

Funding source: Rental Bond Board Interest (50%), Real Estate Statutory Interest (50%)

Funded Organisation	Purpose	Funding
Tenants Union of NSW Co-operative Limited	Tenants Union of NSW	\$644,669.35
Tenants Union of NSW Co-operative Limited	Residential Parks Solicitor	\$90,883.77
Tenants Union of NSW Co-operative Limited	Aboriginal Legal Officer	\$132,064.63
Dtarawarra Pty Ltd	Aboriginal Resource Unit	\$159,748.76
Combined Pensioners & Superannuants Association of NSW Inc (CPSA)	Older Persons Tenants Service	\$202,636.65
Combined Pensioners & Superannuants Association of NSW Inc (CPSA)	Park and Village Service	\$212,063.27
Redfern Legal Centre	Inner Sydney Tenants Advice & Advocacy Service (ISTAAS)	\$268,696.33
Eastern Area Tenants Service Incorporated	Eastern Area Tenants Service Inc	\$271,254.40
Marrickville Legal Centre	Inner West Tenants Advice and Advocacy Service	\$277,010.09
NorWest LINC'S Incorporated	Northern Area Tenants Service	\$375,184.10
Metro Migrant Resource Centre Inc	Southern Sydney Tenants Advice & Advocacy Service	\$417,368.98
Macarthur Legal Centre	South West Sydney Tenants Advice and Advocacy Service	\$340,408.27
NorWest LINC'S Incorporated	North Western Sydney Tenants Service	\$261,478.82
Macquarie Legal Centre	Western Sydney Tenants Service (WESTS - Parramatta)	\$305,058.62
Elizabeth Evatt Community Legal Centre	Western Sydney Tenants Service (WESTS - Blue Mountains)	\$52,295.76
Central Coast Tenants Advice and Advocacy Service Inc	Central Coast Tenants Advice and Advocacy Service	\$265,498.74
Hunter Regional Neighbourhood Centre Forum Inc	Hunter Tenants Advice & Advocacy Service	\$382,471.66
Illawarra Legal Centre	Illawarra Tenants Service	\$303,339.54
Port Macquarie Neighbourhood Centre Inc	Mid Coast Tenants Advice and Advocacy Service	\$313,064.98
Northern Rivers Community Legal Centre Inc	Northern Rivers Tenants Advice and Advocacy Service	\$313,064.98
Central West Community College	South Western NSW Tenants Service	\$822,098.84
New England and Western Tenants Advice and Advocacy Service Incorporated	New England and Western Tenants Advice and Advocacy Service	\$493,074.14
Northern NSW Aboriginal Tenants Advice and Advocacy Service Inc	Northern NSW Aboriginal Tenants Advice and Advocacy Service	\$509,297.25
Murdi Paaki Regional Enterprise Corporation	Western Aboriginal Tenants Advice and Advocacy Service	\$495,718.72
Management and Advisory Services Aboriginal Corporation	Murra Mia Tenants Advice and Advocacy Service	\$447,052.14
Dtarawarra Pty Ltd	Greater Sydney Aboriginal Tenants Service	\$282,126.25
TAAP Special Purpose Fund	Unforeseen expenditure which is directly linked to the provision of service of tenants	\$148,969.59

Funded Organisation	Purpose	Funding
Total		\$8,786,598.63

Program: Financial Counselling Services Program

In 2010/11, the total number of new clients seeking financial counselling assistance totalled 38,919. There were also 127,136 follow ups conducted by the funded organisations during this period.

Funding source: Rental Bond Board Interest (53%), Financial Counselling Trust Fund (24%), Consolidated Funding (23%)

Funded Organisation	Purpose	Funding
Anglicare North Coast	Anglicare North Coast - Coffs Harbour Service and Grafton Outreach Service	\$104,337.97
Anglicare Canberra and Goulburn	Anglicare South East Financial Counselling Service	\$40,007.26
C.A.R.E. Incorporated	Care Inc. Financial Counselling Service - Queanbeyan	\$66,173.35
Centacare Wilcannia-Forbes	Centacare Wilcannia - Forbes Financial Counselling Service	\$77,939.05
Centacare Wilcannia-Forbes	Manage Your Income Financial Counselling Service (Broken Hill)	\$43,050.00
Christian Community Aid Service Inc (CCAS)	CCAS Financial Counselling Program	\$73,492.31
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre - Hotline	\$343,769.28
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre - Legal Service	\$183,611.63
Creating Links Co-operative Ltd	Creating Links Co-operative Financial Counselling Service	\$99,437.50
Eastlakes Family Support Service Inc	Eastlakes Family Support Financial Counselling Service	\$29,418.64
Eurobodalla Family Support Service Inc	Eurobodalla Financial Counselling Service	\$54,403.93
Financial Counselling Hunter Valley Project Inc	Hunter Valley Project Financial Counselling Service	\$107,394.06
Financial Counselling Hunter Valley Project Inc	Hunter Valley Project NESB / CALD / ATSI Financial Counselling Service	\$27,434.13
Gosford City Community Information Service Ltd	Gosford / Wyong Financial Counselling Service	\$100,988.61
Granville Multicultural Community Centre Inc	Granville Financial Counselling Service	\$84,369.61
Illawarra Legal Centre Inc	Illawarra Legal Centre - Legal Service	\$35,654.59
Illawarra Legal Centre Inc	Illawarra Legal Centre - Financial Counselling Service	\$55,406.97
Jesmond Neighbourhood Centre Inc.	Jesmond Neighbourhood Centre Financial Counselling Service	\$75,241.16
Kempsey Neighbourhood Centre Inc	Kempsey Financial Counselling Service	\$120,696.79
Kempsey Neighbourhood Centre Inc	Kempsey Financial Counselling Service - Indigenous Outreach	\$43,050.00
Lifeline Broken Hill Inc	Far West Credit Counselling Service	\$106,846.03
Lifeline Central West Incorporated	Lifeline Central West Counselling Services	\$141,291.09
Lifeline Central West Incorporated	Lifeline Central West NESB / CALD / ATSI Financial Counselling Service	\$15,518.50
Lifeline Harbour to Hawkesbury Inc.	Lifeline Harbour to Hawkesbury Financial Counselling Service	\$93,170.25
Lismore & District Financial Counselling	Lismore Financial Counselling Service and	\$149,584.32

Funded Organisation	Purpose	Funding
Service Inc	Mullumbimby / Byron Bay Outreach Service	
Macarthur Legal Centre Inc	Macarthur Legal Centre Financial Counselling Service	\$43,576.74
Macarthur Legal Centre Inc	Macarthur Legal Centre NESB / CALD / ATSI Financial Counselling Service	\$43,050.00
Mission Australia	Mission Australia Financial Counselling Service - Campbelltown	\$96,843.31
Mission Australia	Mission Australia Creditworthy Wollongong	\$42,523.44
Mission Australia	Mission Australia Creditworthy Wollongong - (Dapto / Warilla)	\$42,734.18
Mission Australia	Mission Australia Creditworthy Wollongong (Moss Vale)	\$101,258.61
Mission Australia	Mission Australia Creditworthy Wollongong (Dapto, Bulli, Warilla & Moss Vale)	\$147,681.73
Mission Australia	Mission Australia Financial Counselling Service - Griffith	\$45,347.55
Mission Australia	Mission Australia Financial Counselling Service - Griffith (South Western NSW Outreach Service)	\$71,088.45
Mission Australia	Mission Australia Financial Counselling Service - Wagga Wagga	\$45,347.55
Mission Australia	Mission Australia - Wagga Wagga (Young, Harden, Boorowa & Bland)	\$71,088.45
Murwillumbah Community Support Centre Inc	Murwillumbah Financial Counselling Service	\$64,771.06
Redfern Legal Centre Ltd	Redfern Legal Centre Financial Counselling Service	\$165,495.71
San Remo Neighbourhood Centre Incorporated	San Remo Financial Counselling Service	\$98,948.86
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Campbelltown	\$39,354.80
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Lethbridge Park	\$43,771.43
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Campsie	\$47,551.49
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Campsie (Inner City Outreach - Surry Hills)	\$52,221.25
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Hurstville	\$41,435.53
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Parramatta	\$43,759.40
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Parramatta (Auburn Outreach)	\$45,432.06
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Parramatta (Penrith & Blacktown Outreach)	\$23,230.62
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Taree/Wingham	\$43,502.64
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Forster/Tuncurry	\$27,344.16
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - North NSW Division, Inland Outreach Service	\$68,823.63
The Salvation Army (NSW) Property Trust	Moneycare NESB / CALD / ATSI Financial Counselling Service - Moree	\$43,050.00
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Goulburn	\$31,065.93

Funded Organisation	Purpose	Funding
The Trustees of the Anglican Diocese of Armidale	Anglicare Northern Inland Financial Counselling Service	\$76,203.64
The Trustees of the Roman Catholic Church for the Diocese of Lismore	Centacare Port Macquarie Financial Counselling Service	\$42,523.44
The Trustees of the Society of St. Vincent de Paul (NSW)	St Vincent de Paul Broken Bay Financial Counselling Service	\$27,620.27
The Uniting Church in Australia Property Trust (NSW)	Lifeline South Coast Financial Counselling Service	\$73,461.53
The Uniting Church in Australia Property Trust (NSW)	Lifeline Financial Counselling Service - Newcastle & Hunter	\$111,176.73
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling - Fairfield	\$86,743.61
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling - Inner Sydney	\$221,024.82
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling Service - Penrith (Includes Quakers Hill, Hawkesbury, Blacktown Outreach Services)	\$206,048.40
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling - Sutherland / Hurstville Outreach Service	\$87,869.77
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling - Newcastle/Hunter Outreach Service	\$90,440.60
The Uniting Church in Australia Property Trust (NSW)	Lifeline Western Sydney Financial Counselling Service	\$79,346.23
The Uniting Church in Australia Property Trust (Vic)	St David's Uniting Care Financial Counselling Service	\$92,659.42
Woodrising Neighbourhood Centre Inc	Lake Macquarie Financial and Gambling Counselling Service	\$87,405.01
Financial Counsellors Association of NSW (FCAN)	Financial Counsellors' Association of NSW - Indigenous Training Course	\$41,000.00
Financial Counsellors Association of NSW (FCAN)	State-Wide Financial Counsellor Training Program	\$102,500.00
Financial Counsellors Association of NSW (FCAN)	Executive Officer Position: "Manager - Administration"	\$138,375.00
Credit Counselling Program Special Purpose Fund	Unforeseen expenditure which is directly linked to the provision of financial counselling services	\$67,913.00
Total		\$5,534,897.08

Program: No Interest Loans Scheme 2010/11

The No Interest Loans Scheme (NILS®) is a community-managed microcredit program developed by the Good Shepherd Youth and Family Services to provide interest free loans to low income earners for the purchase of essential household or medical goods and services such as washing machines and refrigerators, as well as medical or dental services. The total number of loans approved for 2010/11 was 4,877 with a total value of \$6,799,682.50

Funding source: Rental Bond Board Interest (90%), FT Retained Revenue (10%)

Funded Organisation	Purpose	Funding
Sydney Anglican Home Mission Society Council (t/as Anglicare Diocese of Sydney)	Anglicare Western Sydney NILS®	\$43,808.50
Barnardos Australia - Penrith Centre	Barnardos NILS®	\$27,380.31
Presentation Sisters Wagga	Macarthur NILS®	\$76,664.88

Funded Organisation	Purpose	Funding
The Trustees of the Society of St Vincent de Paul (NSW)	St Vincent de Paul Northern Beaches NILS®	\$21,904.25
The Hills Community Aid and Information Service Inc	North West NILS®	\$27,380.31
The Hills Community Aid and Information Service Inc	North West NILS® - Riverstone Outreach	\$5,476.06
The Hills Community Aid and Information Service Inc	North West NILS® - Toongabbie Outreach	\$5,476.06
The Parks Community Network Inc.	Fairfield NILS®	\$38,332.44
Telopea Family Resources Incorporated	Telopea Family Resources NILS®	\$38,332.44
Break the Cycle No Interest Loans Scheme Inc.	Break The Cycle NILS®	\$21,904.25
Mount Annan Church Community Services	Mount Annan Church Community Services NILS®	\$10,952.13
St Marys Area Community Development Project Inc.	St Marys Area Community Development Project NILS®	\$32,856.38
Macarthur Diversity Services Initiative Ltd	Macarthur Diversity Services NILS®	\$32,856.38
Inspire Community Services Incorporated	Inspire NILS®	\$27,380.31
The Trustees of the Society of St Vincent de Paul (NSW)	NILS® Northern Sydney (St Ives)	\$16,428.19
Uniting Church in Australia	Jubilee Resources NILS®	\$32,856.38
Metro Migrant Resource Centre Inc	Metro Migrant Resource Centre NILS®	\$16,428.19
Marrickville Community Training Centre Inc	Marrickville NILS®	\$21,904.25
Hunter Region No Interest Loans Scheme Inc.	Hunter Region No Interest Loans Scheme Manning NILS® (Taree, Great Lakes and Gloucester)	\$82,140.94
Manning Support Services Inc.		\$43,808.50
Trustees of the Society of St Vincent de Paul NSW (in association with the Sisters of St Joseph - Lochinvar)	Newcastle NILS®	\$10,952.13
Baptist Community Services (BCS) NSW & ACT	BCS Food 4 Life NILS® - Newcastle	\$21,904.25
Forster Neighbourhood Centre	Great Lakes NILS®	\$21,904.25
Bellingen Neighbourhood Centre Inc.	The Bellingen Neighbourhood Centre NILS®	\$21,904.25
Kempsey Neighbourhood Centre Inc.	Macleay Valley NILS®	\$21,904.25
Manning Support Services Inc.	Hastings NILS®	\$32,856.38
Nambucca Valley Community Services Council Inc	Nambucca Valley NILS®	\$10,952.13
Anglicare Shoalhaven Community Care Services	Anglicare Shoalhaven NILS®	\$21,904.25
Baptist Community Services NSW & ACT	BCS Lifecare Services NILS® - Warilla Community Loan Scheme - Southern NILS® Program	\$32,856.38
Port Kembla Community Project		\$54,760.63
Northern Illawarra Community Connection Inc	Northern Illawarra Community Connection Inc NILS® Program	\$32,856.38
Highlands Community Centres Inc.	Highlands Community Centre NILS®	\$38,332.44
Lismore Neighbourhood Centre Inc	Northern Rivers NILS®	\$54,760.63
Toukley Neighbourhood Centre Inc.	Wyong Shire NILS®	\$32,856.38

Funded Organisation	Purpose	Funding
Winmalee Neighbourhood Centre Inc	Winmalee Neighbourhood Centre NILS®	\$16,428.19
Lower Mountains Neighbourhood Centre Inc.	Lower Mountains Neighbourhood Centre NILS®	\$10,952.13
Mid Mountains Neighbourhood Centre Inc.	Mid Mountains NILS®	\$16,428.19
Blackheath Area Neighbourhood Centre Inc.	Blackheath Area Neighbourhood Centre NILS®	\$32,856.38
Gosford City Community Information Service Ltd	Gosford City NILS®	\$32,856.38
Central Coast Emergency Accommodation Services Ltd (Coast Shelter)	Coast Shelter NILS®	\$27,380.31
Armidale Neighbourhood Centre Inc	Armidale Neighbourhood Centre NILS®	\$10,952.13
Anglicare Canberra and Goulburn	Eurobodalla NILS®	\$10,952.13
Anglicare Canberra and Goulburn	Anglicare South East NILS®	\$16,428.19
Anglicare Western NSW	Orange NILS®	\$38,332.44
Anglicare Western NSW	Orange NILS® - Forbes	\$21,904.25
Anglicare Western NSW	Orange NILS® - Mudgee / Kandos / Rylstone	\$27,380.31
The Josephite Foundation	Lithgow NILS®	\$21,904.25
The Josephite Foundation	Bathurst NILS®	\$27,380.31
The Josephite Foundation	Cowra NILS®	\$21,904.25
The Josephite Foundation	Young NILS®	\$21,904.25
Anglicare Western NSW	Orange NILS® - Gilgandra / Coonamble	\$21,904.25
Local Global Care - Dubbo	Riverside Lifehouse NILS® - Dubbo	\$43,808.50
Local Global Care - Dubbo	Riverside Lifehouse NILS® - Parkes	\$21,904.25
Local Global Care - Dubbo	Riverside Lifehouse NILS® - Narromine / Trangie	\$16,428.19
Wiradjuri Aboriginal Corporation	Wiradjuri NILS®	\$16,428.19
The Trustees of the Society of St Vincent de Paul (NSW)	St Vincent de Paul Society NILS® - Wagga Wagga	\$21,904.25
Albury Wodonga Community Network Inc	Albury NILS®	\$21,904.25
Baptist Community Services NSW & ACT	BCS NILS® - Broken Hill & Wilcannia	\$32,856.38
Winmalee Neighbourhood Centre Inc.	NSW NILS® State Coordinator	\$96,085.55
Winmalee Neighbourhood Centre Inc.	NSW NILS® 1800 Freecall Service - 1800 50 9994	\$76,875.00
NILS Special Purpose Fund	NILS Program Review	\$96,000.00
Total		\$1,761,018.68

Program: Aged Care Supported Accommodation Service 2010/11

This program provides funding to non-profit organisations for the provision of information, community education, and advocacy services for residents in supported accommodation such as boarding houses, hostels, nursing homes and in particular people living in retirement villages.

Funding source: Rental Bond Board Interest (50%), Real Estate Statutory Interest (50%)

Funded Organisation	Purpose	Funding
The Aged-Care Rights Service Inc	The Aged-Care Rights Service	\$397,059.38
Total		\$397,059.38

Program: Home Building Grants Program 2010/11

This program provides annual funding for the provision of education and research projects relating to the home building industry and related trades as well as encouraging apprenticeships.

Funding source: Home Building Retained Revenue (34%), Consolidated Funding (66%)

Funded Organisation	Purpose	Funding
South Pacific Training Group Pty Ltd and DeltaCorp Pty Ltd t/as Home Building Business Centre (HBBC)	Builders' CPD Series	\$38,100.00
MBA Newcastle Group Training Pty Ltd	Newcastle MBA Group Training & Personnel	\$50,000.00
Housing Industry Association Ltd	GreenSkills for the Building Industry	\$24,000.00
Master Plumbers' Association of New South Wales	Plumbing Essentials - Open for Business	\$29,500.00
Master Builders Association of New South Wales	Aboriginal Apprenticeships on the Mid North Coast	\$50,000.00
Kidsafe New South Wales Incorporated	Safer Windows Campaign	\$35,000.00
Community Technology Centres Association	Building the CPD Gap	\$7,200.00

Program: Home Building Advocacy Service 2010/11

This program provides funding for the provision of advice and assistance to consumers who are caught up in complex disputes with home building contractors.

Funding source: Home Building Retained Revenue (100%)

Funded Organisation	Purpose	Funding
Macquarie Legal Centre	Home Building Advocacy Service	\$220,375.00
Total:		\$220,375.00

Program: Building Contractors Advisory Service 2010/11

Funding has been made available for the establishment and operation of a pilot service for the provision of a business management and insolvency advice via a confidential free-call telephone service.

Funding source: Home Building Retained Revenue (100%)

Funded Organisation	Purpose	Funding
CRS Warner Kugel	Pilot Building Contractor Advisory Service	\$80,000
Total		\$80,000.00

Program: Rental Bond Board Grants Program 2010/11

This program provides annual funding or loans to organisations for the provision of residential rental accommodation, research and other activities into the relationship of landlords and tenants. It also provides for the establishment and administration of rental advisory services.

Funding source: Rental Bond Board Interest (100%)

Funded Organisation	Purpose	Funding
NSW TAAP Network	Implementation of the new Residential Tenancies Act	\$400,000
Total		\$400,000.00

Program: Property Services Grants Program 2010/11

This program provides annual funding or loans to eligible organisations to provide or undertake education or research projects relating to the property services industry.

Funding source: Real Estate Statutory Interest (100%)

Funded Organisation	Purpose	Funding
Arts, Communications, Finance Industries and Property Services ITAB (ACFIPS Ltd)	NSW Property Services Support Line	\$60,000.00
Australian Livestock and Property Agents Association Limited (ALPA)	ALPA New South Wales Professional Development & Education Program 2010-11	\$40,000.00
Australian Property Institute Inc	Continuing Professional Development Program for Valuers, Agents and other Related Property Professionals	\$20,000.00
Institute of Strata Title Management Ltd	Executive Committee Education Development Stage 2 - Online and Distance Delivery	\$45,000.00
Owners' Corporation Network of Australia Inc.	The Essentials of Strata Living	\$10,000.00
Real Estate Institute of New South Wales Limited	Compliance and Residential Tenancies Management Roadshow	\$40,000.00
Total		\$215,000.00

Program: Cooperative Development Grants Program 2010/11

This program provides annual funding for the conduct of research, provision of education and conduct of feasibility studies to assist in maintaining a viable and economical cooperative sector in New South Wales.

Funding source: Consolidated Funding (100%)

Funded Organisation	Purpose	Funding
Department of Environment, Climate Change and Water	New England Renewable Energy Precinct - Feasibility Study into a Wind Farm in the New England Tablelands	\$31,000.00

Program: Motor Vehicle Industry Grants Program 2010/11

This program provides annual funding to eligible organisations for education, research and other programs or projects which will assist in maintaining skilled tradespeople, improve industry standards and raise awareness and provide better protection for consumers in the motor vehicle industry.

Funding source: Motor Vehicle Repair Industry Authority (100%)

Funded Organisation	Purpose	Funding
Strategic Community Assistance to Refugee Families (SCARF)	Getting and Keeping Wheels on the Road: Education for Refugees as First Car Buyers and Owners	\$1,200.00
MTA Apprenticeships Plus	Auto-Advantage	\$37,500.00
Automotive Training Board NSW	Recognition of Skills in the Automotive Industry	\$60,000.00
Total		\$98,700.00

Appendix 9 Implementation of price determination

Land and Property Information has adhered to the Independent Pricing and Regulatory Tribunal of NSW (IPART) determination of pricing of \$4.48 for residential land and \$9.85 for non-residential land for Valuation Services that were charged to local councils. The IPART determination "price review of rating valuation services provided by the Valuer General to local government" issued in July 2008 sets the price for 2011/12.

Appendix 10 Land disposal

No land disposal is reported for this period.

Appendix 11 Legislation administered and legislative change

Legislation administered

Finance and Services Portfolio

The Minister for Finance and Services has joint administration of all Acts listed for the Minister for Fair Trading (which are not listed again below), and the following Acts:

(Note: this is the legislation administered by the Department of Finance and Services and does not include legislation administered by the Compensation Authorities Staff Division or otherwise listed separately below)

Access to Neighbouring Land Act 2000 No 2
Annual Holidays Act 1944 No 31
Architects Act 2003 No 89
Associated General Contractors Insurance Company Limited Act 1980 No 38
Betting Tax Act 2001 No 43
Border Railways Act 1922 No 16
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
Building and Construction Industry Security of Payment Act 1999 No 46
Coal Industry (Industrial Matters) Act 1946 No 44
Commonwealth Places (Mirror Taxes Administration) Act 1998 No 100
Community Land Development Act 1989 No 201
Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010 No 122
Contractors Debts Act 1997 No 110
Conveyancing Act 1919 No 6
Conveyancing and Law of Property Act 1898 No 17
Duties Act 1997 No 123
Employment Protection Act 1982 No 122
Encroachment of Buildings Act 1922 No 23
Entertainment Industry Act 1989 No 230
Essential Services Act 1988 No 41 (except parts, the Premier)
Fines Act 1996 No 99 (except parts, the Attorney General)
First Home Owner Grant Act 2000 No 21
Funeral Services Industry (Days of Operation) Repeal Act 2000 No 14 (repealed with effect from 8.7.11)
Gaming Machine Tax Act 2001 No 72, Part 3 (remainder, jointly with the Minister for Tourism, Major Events, Hospitality and Racing, except Part 4 and Schedule 1, the Minister for Tourism, Major Events, Hospitality and Racing)
Geographical Names Act 1966 No 13
Government Telecommunications Act 1991 No 77
Hairdressers Act 2003 No 62
Health Insurance Levies Act 1982 No 159
HomeFund Restructuring Act 1993 No 112 (except parts, jointly the Minister for Finance and Services and the Minister for Fair Trading)
Housing Act 2001 No 52, section 6 (remainder, jointly with the Minister for Family and Community Services)
Industrial Arbitration (Special Provisions) Act 1984 No 121
Industrial Relations Act 1996 No 17 (except parts, the Attorney General)
Industrial Relations Advisory Council Act 2010 No 76
Industrial Relations (Child Employment) Act 2006 No 96
Industrial Relations (Commonwealth Powers) Act 2009 No 115
Industrial Relations (Ethical Clothing Trades) Act 2001 No 128
Insurance Protection Tax Act 2001 No 40
Interest Reduction Act 1931 No 44
Land Acquisition (Charitable Institutions) Act 1946 No 55

Land Acquisition (Just Terms Compensation) Act 1991 No 22
Land Sales Act 1964 No 12
Land Tax Act 1956 No 27
Land Tax Management Act 1956 No 26
Loan Fund Companies Act 1976 No 94
Long Service Corporation Act 2010 No 123
Long Service Leave (Metalliferous Mining Industry) Act 1963 No 48
Long Service Leave Act 1955 No 38
National Broadband Network Co-ordinator Act 2010 No 111
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 and the Minister for Fair Trading (remainder, the Attorney General)
Payroll Tax Act 2007 No 21
Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011 No 19
Perpetuities Act 1984 No 43
Powers of Attorney Act 2003 No 53
Public Sector Employment and Management Act 2002 No 43, Chapter 7 (remainder, the Premier)
Public Works Act 1912 No 45 (except section 34 (3) and (4), the Minister for Primary Industries)
Public Holidays Act 2010 No 155
Real Property (Legal Proceedings) Act 1970 No 92
Real Property Act 1900 No 25
Regional Relocation (Home Buyers Grant) Act 2011 No 26
Retail Trading Act 2008 No 49
Security Interests in Goods Act 2005 No 69
State Property Authority Act 2006 No 40
State Records Act 1998 No 17
Strata Schemes (Freehold Development) Act 1973 No 68
Strata Schemes (Leasehold Development) Act 1986 No 219
Surveying and Spatial Information Act 2002 No 83
Taxation Administration Act 1996 No 97
Teacher Housing Authority Act 1975 No 27
The Standard Insurance Company Limited and Certain Other Insurance Companies Act 1963 No 18
Transfer of Records Act 1923 No 14
Unclaimed Money Act 1995 No 75
Valuation of Land Act 1916 No 2
Voluntary Workers (Soldiers' Holdings) Act 1917 No 25

Fair Trading portfolio legislation

Agricultural Tenancies Act 1990 No 64
Associations Incorporation Act 2009 No 7
Business Names Act 2002 No 97
Community Land Management Act 1989 No 202
Consumer Claims Act 1998 No 162
Consumer, Trader and Tenancy Tribunal Act 2001 No 82
Contracts Review Act 1980 No 16
Conveyancers Licensing Act 2003 No 3
Co-operative Housing and Starr-Bowkett Societies Act 1998 No 11
Co-operatives Act 1992 No 18
Credit (Commonwealth Powers) Act 2010 No 6
Electricity (Consumer Safety) Act 2004 No 4
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, the Minister for Resources and Energy)
Holiday Parks (Long-term Casual Occupation) Act 2002 No 88
Home Building Act 1989 No 147 (except parts, the Treasurer)
HomeFund Commissioner Act 1993 No 9

HomeFund Restructuring Act 1993 No 112, sections 14, 15, 16 and Schedule 2 (remainder, the Minister for Finance and Services)
Landlord and Tenant Act 1899 No 18
Landlord and Tenant (Amendment) Act 1948 No 25
Loan Fund Companies Act 1976 No 94
Motor Dealers Act 1974 No 52
Motor Vehicle Repairs Act 1980 No 71
Occupational Licensing (Adoption of National Law) Act 2010 No 100 and the Occupational Licensing National Law (NSW)
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 and the Minister for Finance and Services (remainder, the Attorney General)
Pawnbrokers and Second-hand Dealers Act 1996 No 13
Price Exploitation Code (New South Wales) Act 1999 No 55
Prices 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 2010 No 42
Retirement Villages Act 1999 No 81
Strata Schemes Management Act 1996 No 138
Trade Measurement (Repeal) Act 2009 No 108
Travel Agents Act 1986 No 5
Valuers Act 2003 No 4
Warehousemen's Liens Act 1935 No 19

Legislation administered by the Minister for Finance and Services jointly with the Minister for Family and Community Services

Aboriginal Housing Act 1998 No 47 (jointly with the Minister for Family and Community Services)
Commonwealth and State Housing Agreement Act 1946 (repealed with effect from 8/7/11)
Housing Act 2001 (except section 6, the Minister for Finance and Services) (Note: separately listed under Finance and Services)

Acts within the portfolio of the Minister for Finance and Services for which the Department of Finance and Services provides support together with Treasury and the Department of Premier and Cabinet

Coal and Oil Shale Mine Workers (Superannuation) Act 1941 No 45
First State Superannuation Act 1992 No 100
Hunter District Water Board Employees' Provident Fund (Special Provisions) Act 1987 No 213
Local Government and Other Authorities (Superannuation) Act 1927 No 35
New South Wales Retirement Benefits Act 1972 No 70
Parliamentary Contributory Superannuation Act 1971 No 53
Police Association Employees (Superannuation) Act 1969 No 33
Police Regulation (Superannuation) Act 1906 No 28
Public Authorities Superannuation Act 1985 No 41
State Authorities Non-contributory Superannuation Act 1987 No 212
State Authorities Superannuation Act 1987 No 211
State Public Service Superannuation Act 1985 No 45
Superannuation Act 1916 No 28
Superannuation Administration Authority Corporatisation Act 1999 No 5
Superannuation Administration Act 1996 No 39
Superannuation (Axiom Funds Management Corporation) Act 1996 No 40
Transport Employees Retirement Benefits Act 1967 No 96

Acts within the portfolio of the Minister for Finance and Services for which the Department of Finance and Services provides support:

Hunter Water Act 1991 No 53

Sydney Water Act 1994 No 88

Water Efficiency Labelling and Standards (New South Wales) Act 2005 No 12

Water Industry Competition Act 2006 No 104 (except Part 3, the Premier)

Water Management Act 2000 No 92, Part 2 of Chapter 6 (in so far as that Part relates to the Upper Parramatta River Catchment Trust and the Sydney Olympic Park Authority), and any other provisions of that Act so far as they relate to those water supply authorities (remainder, the Minister for Primary Industries)

Legislative change

Finance and Services portfolio

Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010

The object of this Bill is to establish a scheme for the portability of long service leave in the contract cleaning industry. The scheme enables certain registered workers in the contract cleaning industry to access paid long service leave based on 10 or more years (3650 days or more) of recognised service in the industry. The Act provides for payments to be funded through the imposition of a levy payable by employers in the contract cleaning industry. The levies are to be held in a fund established under the *Long Service Corporation Act 2010*. The scheme is to be administered by the Long Service Corporation as reconstituted under that Act. Date of assent 7 December 2010 and commencement 1 July 2011.

Conveyancing Act 1919

The *Statute Law (Miscellaneous Provisions) Act (No 2) 2010* amended Section 98 of the *Conveyancing Act 1919* to allow the Supreme Court to determine the amount payable under a mortgage and arrange for its discharge where the mortgagee is deceased and is without a personal representative. This amendment addresses an issue identified by the Supreme Court in several cases. Prior to the amendment, if the executor could not be found, the court had no power to discharge a mortgage that was otherwise entitled to be discharged. Date of assent 29 November 2011 and commencement 7 January 2011.

Duties Amendment (NSW Home Builders Bonus) Act 2011

This Act amends the *Duties Act 1997* to alter the NSW Home Builders Bonus exemptions to include individuals aged 55 and over to benefit from the Seniors Principal Place of Residence transfer duty exemption *Duties Amendment (NSW Home Builders Bonus) Act 2010*. Date of assent 28 June 2010 and commencement 1 July 2010.

Fines Act 1996

The *Statute Law (Miscellaneous Provisions) Act No. 2 of 2010* amended the *Fines Act 1996* to replace a requirement for a written notice of an intensive correction order under that Act to be in the form prescribed by the regulations with a requirement that it be in the form approved by the State Debt Recovery Office (SDRO). Date of assent 29 November 2010 and commencement 7 January 2011.

Industrial Relations Advisory Council Act 2010

The object of this Act is to establish the Industrial Relations and Relations Advisory Council to provide, in the public interest, a regular and organised means by which representatives of the Government, employers and employees, and other persons invited by the Minister, may consult together on industrial matters of state-wide concern. Date of assent and commencement 25 October 2010.

Industrial Relations Amendment (Non-operative Awards) Act 2010

The object of this Act is to amend the *Industrial Relations Act 1996* to provide for the maintenance of certain awards by the Industrial Relations Commission of New South Wales. Date of assent and commencement 29 November 2010.

Industrial Relations Amendment (Public Sector Appeals) Act 2010

The object of this Act is to amend the *Industrial Relations Act 1996* to provide for the review of decisions concerning the promotion and discipline of public sector employees by the Industrial Relations Commission and to repeal the *Government and Related Employees Appeal Tribunal Act 1980* and the regulation made under that Act. Further, the Act amends the *Transport Appeal Boards Act 1980* and the *Industrial Relations Act 1996* to provide for the President of the Commission to review decisions of the Transport Appeals Boards. Date of assent 28 June 2010 and commencement 1 July 2010.

Industrial Relations Amendment (Public Sector Conditions of Employment) Act 2011

The object of this Act is to amend the *Industrial Relations Act 1996* to require the Industrial Relations Commission to give effect to aspects of government policy declared by the regulations relating to NSW public sector conditions of employment. Date of assent and commencement 17 June 2011.

Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011

The Jobs Action Plan is designed to give business an incentive to employ new workers and expand their enterprises. Under the Act employers that increase the number of full-time equivalent employees for a period of at least two years will receive a payroll tax rebate following the employment of each additional employee in a position that is a new job.

The Jobs Action Plan provides a payroll tax rebate of up to \$4,000 per employee for the first 100,000 new payroll tax paying jobs created in NSW, 60 percent of those jobs being in the metropolitan area and 40 per cent of those jobs being in the non-metropolitan area. Date of assent and commencement 21 June 2011.

Public Holidays Act 2010

The object of this Act is to replace the *Banks and Bank Holidays Act 1912* with an Act that provides for the standard public holidays that apply throughout the State (including provision for additional and substituted public holidays to be declared in any year for the whole or part of the State) The Act also provides for the declaration of local event days (that are not then public holidays) to signify days of special significance to local communities. Date of assent 29 November 2010 and commencement 31 December 2010.

Public Sector Employment and Management Act 2002

An amendment was made to the *Public Sector Employment and Management Act 2002* to allow a delegate of the State Contracts Control Board to sub-delegate a delegated function to another authorised person if authorised to do so by the terms of the State Contracts Control Board's delegation.

Real Property Amendment (Torrens Assurance Levy Repeal) Act 2011

The *Real Property Act 1900* and the Real Property Regulation 2008 were amended effective from 1 July 2011. The amendment Act abolished the Torrens Assurance levy which had come into effect on 1 July 2010. The levy was required to be paid in addition to the lodgement fee on transfers of land for more than \$500,000. Under the transitional provisions of the amendment Act, the Torrens Assurance levy will continue to apply to transfers lodged for registration from 1 July 2011 if:

- the transfer relates to a contract for sale of land entered into between 1 July 2010 and 30 June 2011 and;
- the purchase price is more than \$500,000.

The amendment Act restores the arrangements that were in place before July 2010 for the provisioning of the Torrens Assurance Fund.

Regional Relocation (Home Buyers Grant) Act 2011

This Act operates for four years commencing 1 July 2011. The Act seeks to provide assistance to persons who purchase homes in regional areas, and are doing so as part of relocation from a

metropolitan area. For that purpose, this Act authorises the payment of a regional relocation grant of \$7000 in respect of an eligible home relocation. Date of assent and commencement 27 June 2011.

Shop Trading Amendment Act 2010

The object of this Act is to amend the *Shop Trading Act 2008* to exempt shops within the Sydney Trading Precinct from the requirement to be kept closed on Boxing Day and to make certain other changes relating to the requirement to keep shops closed on restricted trading days. The amending Act allows a relevant industrial organisation of employees to apply to the Administrative Decisions Tribunal for review of an exemption decision made under the Principal Act. The Act also includes provisions for bank trading days as a consequence of the repeal of the *Banks and Bank Holidays Act 1912* by the *Public Holidays Act 2010* and extends Bank Holiday (the first Monday in August) to certain other financial institutions so as to require them to be closed for retail business on that day and to make other amendments of a minor or consequential nature including renaming the Principal Act the *Retail Trading Act 2008*. The Bill also amends the Shop Trading Regulation 2009 to prescribe the Sydney Trading Precinct.

Commencement in part on 29 November 2010 and in other respects on 31 December 2010.

State Revenue Legislation Further Amendment Act 2010

The *State Revenue Legislation Further Amendment Act 2010* amended the following Acts:

Duties Act 1997

A number of changes were made to the *Duties Act 1997* including amendments to:

- allow duty to be charged at the concessional rate on the transfer of marketable securities to a pooled superannuation trust in connection with persons changing complying superannuation funds
- provide for a concession in respect of the transfer of dutiable property to the custodian of the trustee of a self-managed superannuation fund where the transferor is the sole member of the fund
- extend an existing duty concession that applies to transfers of dutiable property that are made because of a change in the trustees of a self-managed superannuation fund
- updated the Duties Act to continue to provide motor vehicle duty exemption for war veterans
- clarify that debt interests are to be disregarded when determining whether a person has a significant interest in a landholder, in the same way as they are disregarding in determining whether a person has an interest in a landholder.
- remove the definition of mortgage from the Dictionary to the *Duties Act 1997* because it was inconsistent with changes made to the concessional provisions applying to mortgage-backed securities and asset-backed securities by the *State Revenue Legislation Amendment Act 2010*.
- update a reference to the *Pharmacy Practice Act 2006*, which was replaced by the Health Practitioner Regulation National Law (NSW).
- ensure that a duty concession still applied where there is a change in custodians of a trust even if the trustee of the trust has changed since the retiring custodian was appointed.

These amendments commenced in part on 1 July 2010 and the remainder 1 January 2011.

Land Tax Management Act 1956

- The amending Act extended the time limit applying to a deceased principal place of residence from one to two years after death. The Chief Commissioner's discretion to extend the time allowed for the exemption to apply has been removed. These amendments commenced 31 December 2010.

First Home Owner Grant Act 2000

- The amending Act increased the eligibility cap for the first home owner grant from \$750,000 to \$835,000. This applies on eligible transactions occurring on or after 1 January 2011. Date of assent 29 November 2010 and commencement 1 January 2011.

Payroll Tax Act 2007

- The amending Act made further provisions for the liability of payroll tax in respect of shares or options granted to employees by employers. Date of assent 29 November 2010 and commencement 1 July 2011.

Strata Schemes (Freehold Development) Act 1973 and Strata Schemes (Leasehold Development) Act 1986

The Statute Law (Miscellaneous Provisions) Act (No 2) 2010 amended the Strata Schemes (Freehold Development) Act 1973 and the Strata Schemes (Leasehold Development) Act 1986 to correct an anomaly in each of these Acts. Easements may now be created or released, and covenants created, by means of a s88B instrument lodged for registration with either a strata plan of consolidation or a plan of consolidation under these Acts.

Conveyancing (Sale of Land) Regulation 2010

Following a review of the previous Regulation, the Conveyancing (Sale of Land) Regulation 2010 commenced on 1 September 2010. The Regulation was amended to prescribe a list of matters that a vendor is deemed to warrant do not affect land that they are selling and to provide a cooling off period for residential property sold otherwise than by public auction. A number of other amendments were made including the introduction of a warning regarding a land owner's obligation under the *Swimming Pools Act 1992*.

Entertainment Industry Amendment Regulation 2011

The object of this Regulation is to amend the Entertainment Industry Regulation 2004 to make provision with respect to the calculation of the fees and other remuneration of entertainment industry representatives and other matters pertaining to the keeping of records and particulars to be included in the financial statements to be provided to performers. Date of commencement 25 February 2011.

Industrial Relations (General) Amendment (Transitional) Regulation 2010

The object of this Regulation is to make provision of a transitional nature consequent on the enactment of the *Industrial Relations Amendment (Public Sector Appeals) Act 2010*. It will preserve certain leave, superannuation and other entitlements held by certain former Chairpersons of the Government and Related Employees Appeal Tribunal immediately before the repeal of the *Government and Related Employees Appeal Tribunal Act 1980* by that Act. Date of commencement 1 July 2010.

Industrial Relations (Public Sector Conditions of Employment) Regulation 2011

The object of this Regulation is to declare the Government's public sector policies to be given effect by the Industrial Relations Commission when making or varying awards or orders relating to the remuneration or other conditions of employment of public sector employees. Date of commencement 20 June 2011.

Real Property and Conveyancing (Amendment) Regulation 2011

The object of this Regulation is to amend the Real Property Regulation 2008 to prescribe the "reasonable steps" that a mortgagee must take to verify the identity of the mortgagor as required by section 56C of the *Real Property Act 1900* and, to prescribe a minimum standard for witnesses to a dealing. The Regulation was required to enable commencement of the remaining provisions of the *Real Property and Conveyancing Legislation Amendment Act 2009* and both will commence on 1 November 2011.

Fair Trading portfolio**Associations Incorporation Act 2009**

The *Associations Incorporation Act 2009* commenced on 1 July 2010, replacing the previous 1984 legislation. The new Act brought in changes to assist nearly 35,000 associations across the State to operate more effectively and make it easier to manage their affairs. The laws regulating incorporated associations have been modernised to reduce red tape, allow more flexibility for associations and provide stronger protection of association finances. NSW Fair Trading conducted a state-wide

information and education campaign to make sure people involved in associations were made aware of the changes.

Conveyancers Licensing Amendment (Approved Professional Indemnity Policy) Order 2011

The *Conveyancers Licensing Act 2003* and associated Regulations require licensed conveyancers to be insured under an approved policy of professional indemnity insurance. The *Conveyancers Licensing Amendment (Approved Professional Indemnity Policy) Order 2011* was made and published on the NSW Government legislation website on 13 May 2011. The Order provides that the specified policy of professional indemnity insurance of Vero Insurance Limited and Allianz Australia Limited is approved by the Minister for Fair Trading from 1 July 2011 until 30 June 2012 for the purposes of the legislation.

Gas Supply Amendment Act 2010 and the Gas Supply Amendment Regulation 2010

On 3 September 2010, amendments to the *Gas Supply Act 1996* and the *Gas (Consumer Safety) Regulation 1994* commenced. These changes mean that NSW Fair Trading is responsible for regulating the safety of most domestic and commercial gas installations and appliances, including LPG and non-network gas appliances. Fair Trading retains responsibility for licensing gas tradespeople and regulating the safety of natural gas appliances.

Motor Dealers Regulation 2010

Following a review of the previous Regulation, the *Motor Dealers Regulation 2010* commenced on 1 September 2010. The aim of the Regulation is to support the consumer protection objectives of the *Motor Dealers Act 1974*, enabling it to operate effectively by dealing with accountability and probity of dealers; stolen motor vehicles and motor vehicle parts; and information to be provided to consumers. The 2010 Regulation is a remake of the 2004 Regulation with minor amendments, such as clarification of the intent of clauses and some minor rewording for simplification.

Strata Schemes Management Regulation 2010

Following a review of the previous Regulation, the *Strata Schemes Management Regulation 2010* commenced on 1 September 2010. The Regulation introduced two new model by-laws. One allows strata residents to hang washing on their balcony if it cannot be seen from the street and the other enables owners corporations to save money by sending meeting notices and other documents by email. These by-laws apply to new schemes registered from 1 September 2010, but other strata schemes can also adopt the by-laws by passing a special resolution.

Valuers Regulation 2010

Following a review of the previous Regulation, the *Valuers Regulation 2010* commenced on 1 September 2010. The Regulation has been made to support the consumer protection objectives of the *Valuers Act 2003*, enabling it to operate effectively by making provision for such matters as: definitions, penalty notices and rules of conduct. Minor amendments were made to the 2005 Regulation including the clarification of the intent of clauses and some minor re-ordering and rewording for simplification.

Appendix 12 Overseas travel

In 2010/11, officers of the Department travelled overseas on government business, some at minimal or no cost to government:

Name and division	Date	Destination, Purpose and Benefits	Total Actual Cost	Net cost to DFS
Phil Clark and Tim Forster NSW Public Works	Aug 2010	Lord Howe Island Purpose: To undertake scheduled maintenance of Ocean Tide Gauge equipment. Benefits: Compliance with contract obligations to Department of Environment and Climate Change regarding the provision of annual maintenance and calibration servicing for the equipment used to capture tide level data.	\$2,515	0
Peter Mould NSW Public Works	Aug 2010	Italy and Denmark Purpose: To represent the Minister for the Arts at the 2010 Venice International Architecture Biennale, and to visit the Danish Architecture Centre, Jan Gehl Architects, and the Utzon Centre. Benefits: Opportunities to improve the profile of NSW in the international architecture community, as well as developing relationships to promote the understanding of architecture, a primary role of the NSW Architects Registration Board.	\$9,374	\$9,374
Paul Dobing and Deborah Clifford Government Services Lolita Kears NSW Industrial Relations	Dec 2010	Wellington, New Zealand Purpose: To attend the Australian and New Zealand School of Government (ANZSOG) Executive Masters of Public Administration Masters Course- Work based Project (final compulsory core subject). Benefits: Provision of NSW public sector personnel with qualifications of Executive Masters in Public Administration.	\$1,903	\$1,903
Rod Murphy, Mick Donohoe, Ram Singh, Darko Lafciski, Rob Siebert, Jack Domis, Aaron Roushani and Nick Harb NSW Public Works	Feb 2011	New Zealand (Christchurch) Purpose: NSW's emergency response to the Christchurch New Zealand earthquake of 22 February 2011, which was coordinated by the Australian Government and the State Emergency Management Committee, regarding deployment of a heavy Urban Search and Rescue Task Force. Benefits: Fulfilled NSW Public Works obligations to the Engineering Services Functional Area in accordance with the State Emergency and Rescue Management Act and the State Disaster Plan to provide specialist engineering input to Urban Search and Rescue Task Forces.	Note 1	\$954
Aaron Roushani and Mikhail Kogan NSW Public Works	March 2011	Japan Purpose: Emergency response to the Japanese earthquake and tsunami of 11 March 2011 and the Australian Government request for NSW deployment of a heavy Urban Search and Rescue Task Force. Benefits: Fulfilled NSW Public Works obligations to the Engineering Services Functional Area in accordance with the State Emergency and Rescue Management Act and the State Disaster Plan to provide specialist engineering input to Urban Search and Rescue Task Forces.	Note 1	\$0
Bradley Walker NSW Fair Trading	May 2011	New Zealand Purpose: To attend Gas Technical Regulators Committee (GTRC) meeting a forum to achieve harmonisation of legislative principles and resolve issues referred to the Committee at the national level by the Ministerial Council on Energy, Council of Australian Governments and Australian New Zealand Reciprocity Agreements.	\$1,381	\$1,381

Name and division	Date	Destination, Purpose and Benefits	Total Actual Cost	Net cost to DFS
		Benefits: Opportunity to contribute to GRTC position in regards to issues that impact on NSW Fair Trading.		
Tony Sleight Land and Property Information	May 2011	Turkey Purpose: Geographical Information for Disaster Management Conference Benefits: Knowledge sharing and innovations in spatial information services in emergency management.	\$1,096	\$1,096
Philip Western Valuer General's Office	May 2011	London & Dublin Purpose: Attend 14th International Property Taxation Institute Symposium Ireland and other meetings in London. Benefits: Gained ideas in setting up processes for maximising the opportunity for improved business processes within the NSW valuation system through exchange of information and ideas on quality assurance and customer services.	\$11,815	\$11,815
Phil Clark NSW Public Works	June 2011	Norfolk Island Purpose: To fulfil contract obligations of the Office of Environment and Heritage contract and strengthen links to the Bureau of Meteorology who have a Tsunami warning gauge adjacent to MHL's gauge. Benefits: Fulfil contract obligations to Office of Environment and Heritage.	\$1,337	\$0

Note 1: Costs managed by the Commonwealth Government, and breakdown of costs not available.

Appendix 13 Research and development

NSW Industrial Relations

Pathways to Care – Women & Work Research Group, University of Sydney, research project assesses the adequacy of current leave arrangements for mature age workers with caring responsibilities for ageing family members. Possible avenues are investigated to assist mature age workers to participate in the workforce while also managing care responsibilities. The report examines the impact on leave provisions for caring responsibilities of the regulatory changes in industrial relations since 2005. It describes what has been gained and lost in terms of flexible work arrangements. It also identifies possible policy responses (drawing on interstate and international developments) which could assist this group of workers. The funding for this project was \$8,250, the final report of this research was received in December 2010 and consideration is being given to any further work in this area.

In June 2010, NSW Industrial Relations was approached to participate as an industry partner in an Australian Research Council research proposal on workplace flexibility. In July 2011, however, it was decided due to changed priorities and budgetary constraints that NSW Industrial Relations would no longer be an industry participant in the project.

NSW Public Works

NSW Water Solutions, in preparing the design for Tillegra Dam (dam discontinued in November 2010) devised an innovative offtake tower design intended to automatically release water of appropriate temperature based on measured upstream water levels and temperatures. The innovative concept has the potential to be used in other locations to deliver improved environmental outcomes and operational efficiencies.

NSW Public Works' Manly Hydraulics Laboratory has been measuring the offshore (deepwater) wave climate along the NSW coastline for over 20 years. There is great government and community interest in wave conditions at particular beaches or specific near-shore locations. Traditionally, near-shore

wave climates have been derived from measured offshore wave data using computer models, so the reported near-shore conditions have been estimates only. There has been little direct and/or accurate measurement of near-shore wave climate to validate this approach and there is anecdotal evidence to suggest that such estimates may be in great error, particularly for developing seas during major coastal storms.

Manly Hydraulics Laboratory has commenced a project with Macquarie University and NSW University through an Australian Research Council grant to accurately measure the near-shore wave climate at a number of strategic locations to validate and refine existing wave derivation models, and to develop other practicable tools for estimating near-shore wave climates for NSW, including digital video imaging and radar.

Land and Property Information

Imagery both optical and radar, taken from satellite, aircraft and ground-based systems is playing an increasingly important role in emergency responses to disasters such as bushfires, floods and earthquakes. Extensive research and application development was carried out to better understand the acquisition, processing and distribution requirements for satellite remote sensing in servicing emergency management in near real time. In partnership with the CRC for Spatial Information and the University of New South Wales, Land and Property Information leased the use of a ground receiving station to download radar satellite data and pilot the opportunities that are afforded by a locally based station. Images captured during flooding of the NSW north coast were supplied and analysed by the insurance industry for risk management applications. Further pilot studies will be undertaken involving bushfire mitigation and vegetation coverage monitoring.

Land and Property Information and the University of NSW are partners in an Australian Research Council Linkage Grant for the study of porosity of buildings, the benefits of which are directly applicable to 3-D models of the Sydney CBD. Work undertaken in 2010/11 focused on major transport interchanges in the Sydney CBD.

Appendix 14 Senior Executive Service performance

Report of Senior Executive Service officers Level 5 and above at 30 June 2011:

Michael Coutts-Trotter

Director-General, Department of Finance and Services

SES 8 - Salary \$488,250

Michael was appointed Director-General of the Department of Finance and Services on 4 April 2011.

2010/11 highlights:

- led the establishment of the new Department of Finance and Services and the transfer of functions and staff between agencies
- advised the Minister for Finance and Services and the Minister for Fair Trading on the implementation of policy commitments in the Government's first 100 days
- contributed to the development of government policy and administration through the Directors General Executive Committee and other mechanisms
- continued to deliver on a nationally agreed transition of fair trading services to the Commonwealth
- participated in the management of government procurement through the State Contracts Control Board
- continued to support the implementation of corporate and shared services reform in the Department of Finance and Services and other agencies.

Peter Duncan

Director-General, Department of Services, Technology and Administration to 1 April 2011

SES 8 - Salary \$435,800

2010/11 highlights with the Department of Services, Technology and Administration:

- provided expert advice to the Minister for Industrial Relations and Commerce, the Minister for Fair Trading and the Minister for Small Business on a range of issues across areas within the responsibility of the Department of Services, Technology and Administration
- development, approval and introduction of the 2010-2015 Corporate Plan
- facilitation of National Consumer Law implementation within NSW by 1 January 2011 including chair of the National Compliance and Dispute Resolution Advisory Committee
- managed the NSW ICT strategy review including separation of policy and operational delivery functions within the department, including the tender for the Data Centre reform, Government Licensing System and Radio network consolidations
- established new governance and management for the implementation of ServiceFirst Corporate Services Reform project within the department and partner agencies
- chaired the NSW National Broadband Network (NBN) Taskforce and led the development of strategies in relation to NSW early release NBN sites
- strengthened planning, budget, risk management and audit processes within the Services, Technology and Administration cluster.

Paul Dexter

Deputy Director-General, Corporate Services and Chief Financial Officer

SES 5 - Salary \$278,350

2010/11 highlights:

- developed the Department of Finance and Services ICT Strategy 2011-2014. This document provides a framework and roadmap for the ICT initiatives, governance and risk management requirements within the Department and strengthens the ICT capital planning and expenditure process to ensure delivery of public value
- ensured the delivery of savings targets for the Department by tracking the monthly progress using the Rolling Resource Planning tool. The Department achieved all savings targets including the 4.5 per cent wage offset savings, efficiency dividend targets and ICT savings
- commenced work on new accommodation travel arrangements to improve efficiency, strengthen governance and deliver savings. The new travel accommodation arrangements are planned to commence late 2011 and will involve payment of actual travel expenses as opposed to current per diem allowance arrangements
- continued work on the Corporate Services Reform program and the Department of Finance and Services Future Operating Model design. The Corporate Services Reform program aims to address the Corporate Services component of the Department of Premier and Cabinet's Blueprint for Corporate and Shared Services Reform for the department as a client of ServiceFirst. Specifically, it will: improve service delivery and customer focus of Department of Finance and Services corporate functions; deliver more efficient, low cost corporate functions; and streamline and standardise the corporate services framework leveraging technology
- developed a new recruitment model to improve strategic outcomes of recruitment, address current workforce shortages, and improve system and processes. The new recruitment model, including use of Taleo commenced June 2011
- developed the DTSA Corporate Plan which was launched Dec 2010. A suite of strategic planning tools and templates were also developed and implemented to improve organisational planning alignment to the Corporate Plan. Corporate Values was also launched with a staff engagement approach in March 2011

- developed and implemented the McKell Building Sustainability Plan (including National Australian Built Environment Rating System (NABERS rating) in September 2010. This plan details the sustainability actions and initiatives for McKell
- a scanning and optical character recognition reading solution for supplier invoices was implemented by Corporate Services and ServiceFirst. This has successfully removed the manual data entry of invoices by the accounts payable team, delivering efficiency and staff savings for the department.

Anne Skewes

Deputy Director-General, Government Services

SES 6 - Salary \$334,243

2010/11 highlights:

- led the integration of property, ICT and corporate reform functions into the Government Services Division through the transfer of ICT Strategic Delivery, State Property Authority and the Corporate and Shared Services Reform Program
- led the Government's Procurement Savings project in cooperation with NSW Treasury to deliver a forecast \$1 billion reduction in agencies goods and services expenditure
- managed realignment of the ICT Strategic Delivery function within the Department including the review of major projects
- led development of the framework for whole of government procurement reform to drive improved value and efficiency in government purchasing
- realigned the Corporate and Shared Services Reform Program to Government and agency priorities
- supported procurement policy initiatives of the State Contracts Control Board, including contracts review, agency accreditation, management fee and local jobs policy
- managed implementation of an industry supported review of the Construction Accreditation Prequalification Scheme and subsequent improvement measures
- actively contributed to executive governance within the Department of Finance and Services including through memberships of the Internal Audit Bureau Board, ac3 Pty Ltd Board, Chair of the Teacher Housing Authority and a member of the Department's Audit and Risk Committee.

Karyn Mercer

Program Director, Integration Reform, Corporate and Shared Services Reform Program, Government Services.

SES 6 – Salary \$299,050

2010/11 highlights:

- oversaw the public release of the whole of Government Blueprint for Corporate and Shared Services Reform
- developed, and oversaw Government endorsement of, a comprehensive Business Case for the Corporate and Shared Services Reform Program. The Program was developed to support the implementation of the Blueprint
- facilitated a successful working relationship between the Departments of Premier and Cabinet and Finance and Services to effect Integration Reform transition arrangements resulting from the Administrative Changes Order
- worked with the Departments of Family and Community Services and Transport NSW, as well as ServiceFirst to complete diagnostic, strategy and reform planning for the implementation of central programs
- continued to provide high level direction and advice to Executive committees and Government to guide corporate and shared services reform across the NSW public sector.

Sanjay Sridher

Executive Director, Shared Services, Government Services

SES 5 - Salary \$278,350

2010/11 highlights:

- realigned the ServiceFirst business structures to re-focus effort on consistent service delivery and customer engagement
- improved organisational Key Performance Indicators across all areas of measurement
- embedded more rigorous financial and accounting standards in the business whilst strengthening risk management practices
- established the ServiceFirst Reform Governance Committee and oversaw Reform business case development and approval from Cabinet
- promoted and led strategies for staff engagement and capability development across ServiceFirst with a focus on improved customer service and performance
- achieved ServiceFirst Reform Program business case approval - implementation of the Department of Premier and Cabinet Corporate and Shared Services Blueprint within ServiceFirst
- delivered on One ServiceFirst: the integration and streamlining of service delivery functions including Information Technology, Finance, Human Resources and Office Services (Facilities)
- introduction of additional new technologies in mobility in order to improve personal productivity and reduce our reliance on paper (iPhone/iPad pilot)
- achieved ISO/IEC 27001 Information Security Certification: ongoing certification against the international standard for information security
- implemented the Machinery of Government changes affecting the ServiceFirst customer portfolio.

James Norfor

Executive Director, NSW Procurement, Government Services. Date of appointment: 22 November 2010.

SES 5 - Salary \$278,350

2010/11 highlights:

- reform of NSW Procurement
- implementation of the Ariba Platform
- an expenditure of \$867 million has been enabled through NSW Government Procurement System for Construction for NSW agencies with \$90 million in savings
- establishment of new contracts, 777 Electricity (Large government Sites) and 777A (Large non-government Sites)
- successful negotiation with Microsoft Corporation for a government-wide agreement (Contract 2310 Microsoft)
- identified \$72 million of savings projects as part of the year 1 commitment of the Government's \$1 billion savings program over four years
- finalised NSW Procurement's three-year plan and refined the future state structure to reflect ongoing contemporary procurement trends and changing business requirements to enable the provision of effective procurement services to whole of government
- undertook a process re-engineering project to redesign the end to end procurement process including a 50 per cent reduction tender in timeline and to map the tender process to e-RFx technology recently launched in NSW Procurement
- implemented the first phase of e-sourcing platform, Ariba®, rollout for goods and services procurement for NSW Procurement users to undertake all RFx activities online. The new e-sourcing tool will increase the automation of the tender process which will reduce cycle times and increase commercial outcomes for government

- instigated organisational development program across NSW Procurement, inclusive of cultural change program within NSW Procurement, AONHewitt staff engagement survey, staff capability survey, management training; and people management training
- successfully completed a number of whole of government agreements, including Microsoft, Electricity (large, small sites and NGO sector), Travel services and Print management
- delivered a key cross jurisdictional procurement project with the Queensland government for card fuels, delivering significant benefits to both states
- development of a revised State Contracts Control Board Agency Accreditation Scheme for Goods and Services Procurement which aims to improve goods and services procurement practices across the NSW Government.

Des Mooney

General Manager, Land and Property Information

SES level 5 - Salary \$294,650

2010/11 highlights:

Provided long term shareholder value and maintained profitability by implementing financial reforms across Land and Property Information including:

- exceeded profit targets against a background of a soft property market
- established a new pricing and access process across all products and services
- developed additional products and functionally into our online shop
- completed business strategies for all major products
- further expanded the Central Register of Restrictions to include additional organisations.
- pursued whole of government initiatives including:
 - developed the Spatial Information eXchange (SIX) as a whole of government shared service offering
 - developing a notification system jointly with PSMA and Victoria
 - participating in joint mapping initiatives with Geosciences Australia
 - investigating the joint development of an expanded E-plan system with Queensland
 - established a new company limited by shares to develop NECS to the implementation and operational stages.
- developing new and improve existing products and services, including:
 - implemented an additional 26 CORS stations
 - initiated the Comprehensive Property Addressing System.
- ensured continuing business sustainability through:
 - development of a revised Land and Property Information business plan and Statement of Business Intent
 - continuation of *Vision 2013*
 - commencing the development of Vision 2020 for workforce planning
 - completed the Business Continuity Plan for Titling and Valuation Services.

Anthony Lean

General Counsel (July 2010 – March 2010)

Acting Assistant Director-General, Policy (April 2011-June 2011)

SES 5 - Salary \$278,350

2010/11 highlights:

- led the delivery of a new contractual framework for ICT procurement in NSW (Procure IT Version 3)
- contributed to the development of legislation to implement the Government's wages policy

- led the development of a new Corporate Risk Register, and facilitated the integration of risk management with the delivery of major projects for the Department
- provided strategic legal and policy advice in relation to the establishment of the new Department of Finance and Services
- provided high level Ministerial and executive support, including facilitating the transition resulting from the change in Government
- advised on the implementation and development of a new Governance Framework for the development of an ICT Strategy and policy for the NSW Government.

Susan Bentley

Acting General Counsel (April 2011 to June 2011)

SES Level 5 - Salary \$278,350

2010/11 highlights:

- provided strategic legal advice in relation to the establishment of the new Department of Finance and Services
- led the Department's legal services in the implementation of the Legal Services Blueprint reforms relating to legal services procurement
- advised on strategic legal matters including the refinancing of the desalination plant and government wages policy reforms
- led the realignment of the Department's governance and risk architecture.

Steve Griffin

Deputy Commissioner, Fair Trading (Operations)

SES 5 - Salary \$268,060

2010/11 highlights:

- successful commencement of the Australian Consumer Law in New South Wales. From 1 January 2011 all aspects of the Australian Consumer Law commenced to operate in New South Wales replacing many of the provisions of the NSW Fair Trading Act. Substantial resources were applied to conducting trader and consumer awareness campaigns and NSW Fair Trading took the lead in a number of national enforcement actions.
- successful introduction of new residential tenancy laws. On 31 January 2011 new residential tenancy laws commenced in NSW. A successful publicity campaign resulted in increased awareness by landlords, agents and tenants of their rights and responsibilities and the over 100 amendments to the laws. The campaign resulted in Fair Trading receiving record levels of contacts and inquiries via its Call Centre and website regarding the new laws and tenancy issues.
- in March 2011 a new rental bond system was brought online. Fair Trading handles over 540,000 transactions annually with much of this work requiring manual handling prior to the development of the new bond system. The system streamlines the process for lodging and claiming back rental bonds.
- fair Trading was established as the single regulator for gas in NSW. During the year structures, systems and processes were put in place to give effect to Fair Trading assuming the role of the regulator for gas in NSW.
- ShopSmart iPhone App and mobile website capacity. In June, Fair Trading completed development of its first iPhone and Android app ShopSmart along with providing our customers with the capability to view our website content via their mobile phones. The ShopSmart app is designed to provide consumers with information about their shopping rights under the Australian Consumer Law and deals with issues such as refunds, warranties and lay-bys.
- implementation of a new customer feedback system in Fair Trading. During the year the customer feedback system was redeveloped to improve the feedback process for customers and ensure that we were getting the information we needed to improve the delivery of services.

- implemented new code of conduct for compliance officers and delivered training and implemented additional corruption prevention measures in high risk areas.
- completed the transfer of trade measurement functions to the Commonwealth's National Measurement Institute.

Rod Stowe

Deputy Commissioner, NSW Fair Trading (National Reform)

SES 5 - Salary \$278,350

2010/11 highlights:

Rod Stowe successfully managed all aspects of National Reform Agenda Division responsibilities and in particular:

- effectively represented NSW on inter-jurisdictional steering committees responsible for driving national reform projects, including the development of legislation, Memoranda of Understanding and new business processes
- oversaw the implementation of the Australian Consumer Law in NSW with effect from 1 January 2011, through coordinating this work externally with other Australian jurisdictions and internally across Fair Trading divisions
- successfully oversaw achievement of all milestones in the National Partnership Agreement for the seven National Reform projects relevant to Fair Trading
- led the development of national proposals for harmonised conduct requirements for property agents
- continued to promote positive Fair Trading and consumer protection messages through weekly radio segments on Sydney commercial radio programs.

Brian Baker

Deputy Director-General, NSW Public Works

SES 6 - Salary \$312,850

2010/11 highlights:

- contributed to the development of NSW Public Works, ensuring it provides the highest level of capability to Government for capital assets design, delivery and maintenance
- helped develop and maintain public infrastructure by assisting agencies to plan, design and deliver building and engineering projects to the value of approximately \$1 billion while achieving an on time delivery rate of 92 per cent and 95 per cent of projects within budget
- continuation of the graduate development program, cadetships program and apprenticeship program to maintain government expertise in areas of skill shortage including asset management, engineering and architecture
- minimised the risk for government on NSW Public Works contracts managed projects by achieving a loss time injury frequency ratio more than 80 per cent better than the industry average
- provided commercial services to government agencies to help them maximise value, minimise costs and manage risks arising from the services they provide to the community and achieved a client satisfaction rating of 89 per cent for service delivery
- through NSW Public Works continued to provide engineering support to emergency service combat agencies and functional areas throughout 2010/11. Major events responded to included, providing critical engineering assessments of levees and dams under threat during the NSW Inland Flooding, arranging the urgent establishment of Recovery Centres in three communities to facilitate assistance to flood victims, and providing specialist engineering expertise to Urban Search and Rescue tasks forces that represented NSW in the Queensland floods and overseas in New Zealand and Japan following earthquakes in those countries.

Peter Mould

Government Architect and General Manager, Government Architect's Office, NSW Public Works

SES 5 - Salary \$278,350

2010/11 highlights:

- influenced and supported architectural issues through representation on the NSW Heritage Council, the Sydney Opera House Conservation Committee, the Central Sydney Planning Committee and the Architect's Registration Board of NSW
- established Eminent Architect's Panel for Sydney Opera House Trust to advise on architectural and design issues
- provided expert advice to government agencies on city planning and architecture through representation on Sydney Olympic Park, Transport Infrastructure Development Corporation, Centennial and Moore Park Trust, and RTA Urban Design Review Panels and the City of Sydney Design Advisory Panel
- applied environmentally sustainable design to government buildings and assisted in the management of designs for major capital works for public projects:
 - reducing greenhouse gas emissions and improved efficiency of electricity use through energy management advice and monitoring for government agencies.
 - reducing water consumption through water audits and management
 - overseeing the implementation of photovoltaic installations on major heritage buildings; Sydney Theatre Company at Walsh Bay and Sydney Town Hall.

Paul Jones

Group General Manager, Project Management, NSW Public Works

SES 5 - Salary \$278,350

2010/11 highlights:

- provided expertise to help State Government and Local Government agencies invest in infrastructure through assisting in the development and maintenance of public built assets by managing risks associated with the planning, procurement, design and construction of building and engineering projects in excess of \$780 million while achieving a client satisfaction rating of 83 per cent
- assisted State agencies and Local Government in effective and efficient expenditure through achieving an on time completion rate of 88% and an on budget completion rate of 89 per cent for the delivery of their asset strategies
- instigated a client diversification strategy which saw Project Management pursue and secure further opportunities from non traditional clients such as the energy sector
- provided the government with capabilities in project management for NSW disaster recovery responsibilities under the NSW State Disaster Plan and assessed Council of Natural Disasters relief assistance claims to the value of \$9.9 million
- promoted increased awareness of probity and equity in the public sector through our involvement with State and Local Government agencies in the development and implementation of procurement procedures for the planning, delivery and maintenance of assets.

Tony Newbury

Executive Director and Chief Commissioner of State Revenue, Office of State Revenue

SES 6 - Salary \$312,850

2010/11 highlights:

- oversaw the management and collection of more than \$18.2 billion in revenue including \$320 million in additional revenue identified through the Office's compliance programs

- supported the Government's Road Toll Response Package to reduce road-related fatalities and improve driver behaviour by implementing the processing of penalty notices for mobile and safety cameras, average speed (point-to-point) and unregistered vehicle usage from camera detection
- oversaw the implementation of the Fines Enforcement System to improve efficiency and effectiveness in fines administration, and implementation of the MARS Land Tax module; phase one of the upgrade of the Office of State Revenue's core tax revenue system
- oversaw the effective implementation of the Government's Jobs Action Plan Payroll Tax Rebate scheme, changes to the Empty Nester Transfer Duty Concession and the Regional Relocation Grant scheme
- successfully defended all NSW taxation cases heard before the Court of Appeal and successfully prosecuted 14 fraudulent tax and benefit claims
- established the Office's first Enterprise Project Management Office to improve project governance and accountability. In April 2011, the Office of State Revenue was awarded accreditation from the Australian Institute of Project Management in recognition of it being a project managed organisation.

Appendix 15 Significant judicial decisions

Finance and Services portfolio

State Wage Case 2010 [2010] NSWIRComm 183

The 2010 State Wage Case was the first to be considered following the referral of industrial relations powers by the NSW Government to the Commonwealth, with effect from 1 January 2010. The referral of powers removed most private sector employers and employees from the NSW industrial relations jurisdiction and made them part of the new national industrial relations system. Remaining in the NSW jurisdiction are the public and local government sectors, as well as those workers who are deemed employees under Schedule 1 of the *Industrial Relations Act 1996*.

At the 2010 case, the Industrial Relations Commission determined that the NSW minimum wage be increased to \$569.90, equivalent to the then national minimum wage, while minimum rates were increased by 4.25 per cent.

New Wage Fixing Principles were made which will significantly change the way that future wage cases will be run. Specifically, following the most recent national minimum wage decision, the Commission will issue a Notice inviting the parties to show cause why the national decision should not flow on to State awards. If there is no objection to flowing on the national decision, the NSW Commission will make its decision without a hearing.

This approach reflects the reduction in the size of the NSW industrial relations jurisdiction post referral.

Annual Wage Review 2011 [2011] FWAFB 3400

The second national minimum wage review was published on 3 June 2011.

Fair Work Australia's Minimum Wage Panel decided to increase wages in modern awards by 3.4 per cent. The national minimum wage increased from \$569.90 to \$589.30, an increase of \$19.40. Relevant wage rates in transitional instruments were increased by the same amount.

The decision took effect on 1 July 2011.

In contrast to recent predecessor decisions, the Panel decided to award a percentage increase, in order to preserve relativities within and between the modern awards.

Equal Remuneration Case 2011 [2011] FWAFB 2700

On 16 May 2011, the Full Bench of Fair Work Australia (FWA) made a primary finding that there is not equal remuneration for men and women workers covered by the application for work of equal or comparable value when compared to workers in state and local government employment.

In its decision, FWA declined, however, to make an Equal Remuneration Order because there was not sufficient evidence before it as to the extent to which wages in the social and community services industry are lower than they would otherwise be because of gender considerations. FWA sought more information which identified the amount of undervaluation which was directly attributable to gender in the sector. The case continues.

Van den Heuvel v Perpetual Trustees Victoria Ltd; Registrar General of NSW v Van den Heuvel [2010] NSWCA 171 (Van den Heuvel)

The Registrar General made several payments in response to claims against the Torrens Assurance Fund totalling \$2,079,367. One such matter is the NSW Court of Appeal decision in Van den Heuvel. This matter concerned the fraudulent execution of loan documentation and a mortgage by Mr Van den Heuvel. Price J at first instance found that the action of Mr Van den Heuvel had bound Mrs Van den Heuvel and that Perpetual Trustees Victoria Limited had an enforceable mortgage over the whole of the property.

The Registrar General and Mrs Van den Heuvel appealed the decision.

It was the position of the Registrar General at first instance and on appeal that as Mrs Van den Heuvel had not executed the loan documentation there was no agreement or contract between her and Perpetual Trustees Victoria Limited that could give rise to any obligation.

The Court of Appeal in a 2-1 decision dismissed the appeal. The majority held that indefeasibility extends to terms that can be implied in the registered mortgage. The dissenting judge did not accept the proposition that the mortgage had incorporated any implied terms.

The Registrar General made an application for Special Leave to the High Court. This application was refused on the basis that the Registrar General administers a statutory fund and it was not appropriate for him to bring the appeal.

In Adam Pty Ltd v Valuer General [2011] NSWLEC 55 (1 April 2011)

In this matter the Land and Environment Court decided in the applicant's favour. The case involved an interpretation of section 14G of the Valuation of Land Act and the method of valuing heritage restricted land and assumptions contained within section 14G.

The court was asked if it was appropriate to apply a "heritage cost penalty", which reflected the difference between the cost of construction of a new building and that of a new heritage restricted building. The court decided the "heritage cost penalty" should be applied as an additional reduction to the land value.

This decision by the court alters the Valuer General's current accepted practice for determining the land value of heritage restricted and heritage listed properties as it now requires consideration of the improvements in its existing condition.

In this case the effect of the 'heritage cost penalty' on the land value as at 1 July 2006 (without reference to the penalty) was that the determined value of \$6,240,000 should be reduced by the heritage cost penalty of \$1,666,203, to a land value of \$4,573,797, a reduction of 26.7 per cent.

Fair Trading portfolio

The Owners – Strata Plan 56911 v Fair Trading Administration Corporation (“FTAC”) District Court Appeal 2010/00147035 (27 September) [Unreported].

The Owners – Strata Plan 56911 (“the Owners Corporation”) lodged an appeal with the Consumer, Trader and Tenancy Tribunal (“the Tribunal”) against FTAC’s decision refusing the Owners Corporation claim under the Comprehensive Insurance Scheme to be indemnified for the costs of the rectification of general defects.

The Owners Corporation lodged the appeal with the Tribunal outside the statutory 30 days from the date the decision was served, and failed to seek leave to lodge the appeal outside the prescribed period within a further 30-day period provided under section 86 (3) of the *Building Services Corporation Act 1989*. Accordingly, the Tribunal decided it had no jurisdiction to hear the matter.

The Owners Corporation filed an appeal with the District Court against the Tribunal decision.

On 27 September 2010, the District Court decided that the legislation was for the benefit of consumers; accordingly, the Tribunal time limits are directory rather than mandatory. As in this case there was no prejudice to FTAC, the Tribunal could hear the matter.

Metro Windows Pty Limited & Ors v Commissioner for Fair Trading [2009] NSWADT 60

NSW Fair Trading issued a reprimand to each of the nominated supervisor and director of a company which Fair Trading decided had taken an excessive deposit and not shown due diligence in completing work.

The issue of whether the Administrative Decisions Tribunal can review reprimands imposed by Fair Trading was judicially reviewed up to the NSW Court of Appeal.

The Court of Appeal decided by its judgment on 11 March 2011 that the Administrative Decisions Tribunal did have that power.

Fair Trading Administration Corporation (“FTAC”) v Meriton Apartments Pty Limited Supreme Court, Court of Appeal Proceedings No. 2009/298792

Meriton had sought declarations that it has no obligation to indemnify FTAC for claims paid to the Owners -Strata Plan 57895. On 17 November 2009, Justice Einstein ordered the proceedings be stayed until FTAC commences recovery proceedings. Meriton sought leave to appeal against this decision in the Court of Appeal. On 17 December 2010, the appeal was discontinued on the condition that Meriton pays FTAC’s costs, as agreed or assessed.

Meriton Apartments Pty Limited v Fair Trading Administration Corporation (“FTAC”), Supreme Court Proceedings No. 2010/292698.

Meriton sought declarations as follows: any proceedings brought by FTAC in relation to residential building work carried out by Meriton would be a “building action” within the meaning of s.109ZL of the Environmental Planning & Assessment Act 1979; any such proceedings may not be brought, by force of s.109ZK as the ten-year limitation period expired in March 2009; and that Meriton would have a complete defence to any such proceedings, by force of s.109ZK and costs.

On 12 December 2010, orders were made discontinuing the proceedings on the condition that Meriton pays FTAC’s costs, as agreed or assessed.

Appendix 16 Waste Reduction and Purchasing Policy

Waste Reduction and Purchasing Plan 2010/11

The Department has continued to apply the Waste Reduction and Purchasing Policy (WRAPP) as it continues to reduce waste, increase resource recovery (recycling and reuse) and purchase recycled content materials.

The Department purchased office paper containing recycled content and paper records that required secure destruction were recycled. Recycling and waste reduction is promoted throughout the Department.

There has been an ongoing minimisation of the consumption of paper by using paperless systems wherever possible through the use of:

- online purchasing and electronic scanning of invoices which will reduce if not eliminate use of paper based transactions for the Procure-to-Pay process
- online applications and approvals of human resource transactions
- electronic tendering
- multi-function devices
- on-line access to information in NSW Fair Trading including consumer/trader fact sheets.

The McKell Building, located at Haymarket, is currently in the process of refurbishment, which includes:

- “Clever floor plans” to facilitate energy conservation features such as compact fluorescent lamps, motion sensors, cut-out switches and use of natural lighting and ventilation
- the selection of materials and furniture that have a high sustainability rating, are made from recycled content, have a low volatile organics compounds emissions, and are durable, functional and where possible recyclable at end of life.

Ongoing energy audits of our major facilities have led to the upgrading of lighting systems in the McKell Building (the Department’s largest tenancy with more than 25,000m²). There has been a reduction of 22 per cent in 2010/11 in energy and water consumption. Smaller regional offices have also installed energy efficient lighting systems.

The Department actively encourages use of public transport for travelling within the city for meetings. Number of staff using bikes to get to work is steadily increasing. Improved staff facilities have encouraged the use of bikes to commute to work.

Way forward

- Video and multipoint video conferencing has been installed to conduct meetings within the agency. The multipoint video conferencing can presently connect up to 20 sites nationally or internationally. Continued use of this facility will significantly reduce the carbon footprint caused through travel.
- The *Sustainability Action Plan* has seen the introduction of segregated waste bins to facilitate recycling.
- The *Waste Management Strategy* aims at increasing the current commercial and industrial recycling rate of 50 per cent to an estimated 80 per cent by 2014. This will exceed the NSW Government target of 76 per cent by 2014 (required by the *Waste Avoidance and Resource Recovery Act 2001*).

The Land and Property Information division is committed to complying with the *Sustainability Policy for NSW Government* and to maintaining best practice in sustainable procurement and in recycling. The division continued to avoid and minimise waste at the Graphic Services Branch through:

- recycling all by-products of their printing operations

- recycling all empty ink cartridges and plastic wrap
- recycling all 205 litre chemical drums
- being accredited to ISO standard 14001 for environmental management systems for their printing activities.

Appendix 17 Department of Finance and Services offices

Department of Finance and Services

McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8877
Fax: (02) 9372 7070
Hours: 8.30am – 5.30pm (unless otherwise stated)
www.services.nsw.gov.au

NSW Fair Trading

Fair Trading Head Office

1 Fitzwilliam Street
Parramatta NSW 2150
Tel: (02) 9895 0111
Fax: (02) 9895 0222
Hours: 8.30am – 5.00pm
www.fairtrading.nsw.gov.au

Registry of Cooperatives & Associations

154 Russell Street
Bathurst NSW 2795
Tel: (02) 6333 1400 or
1800 502 042
Fax: (02) 6333 1444
Hours: 8.30am – 5.00pm

Information - Register of Encumbered Vehicles

1 Fitzwilliam Street
Parramatta NSW 2150
Tel: 13 32 20
Fax: (02) 9891 5135
Hours: 8.30am – 5.00pm Mon-Fri and 9:00am – 2:00pm Sat
Website:
www.revs.nsw.gov.au

Aboriginal Tenancy Information

Tel: 13 32 20 or
1800 500 330

General enquiries for the hearing impaired (TTY) 1300 723 404

Fair Trading Centres

13 32 20 for all Fair Trading enquiries. Hours: 8.30am – 5.00pm

Calls to this number from within the Sydney metropolitan region and from all mobile telephones will be received at our Fair Trading Information Centre. Callers from outside the Sydney metropolitan region will be directed to their nearest Fair Trading 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	Gosford	Goulburn
50 Wingewarra Street Dubbo NSW 2830	Level 2, 237 Mann Street Gosford NSW 2250	39 Goldsmith Street Goulburn NSW 2580
Grafton	Hurstville	Lismore
50 Victoria Street Grafton NSW 2460	Level 3 4-8 Woodville Street Hurstville NSW 2220	Suite 5, Upper Ground Floor 17 Conway Street Lismore NSW 2480
Liverpool	Newcastle	Orange
Shop 1R 33 Moore Street Liverpool NSW 2170	Level 5 400 Hunter Street Newcastle NSW 2300	184-186 Lords Place Orange NSW 2800
Parramatta	Penrith	Port Macquarie
1 Fitzwilliam Street Parramatta NSW 2150	Ground Floor 2 Station St Penrith NSW 2750	143 Horton Street Port Macquarie NSW 2444
Queanbeyan	Sydney CBD	Tamworth
11 Farrer Place Queanbeyan NSW 2620	McKell Building 2-24 Rawson Place Sydney NSW 2000	3-5 Kable Corner Complex Cnr Kable Ave & Darling St, Tamworth NSW 2340
Tweed Heads	Wagga Wagga	Wollongong
Suite 26, Level 2 75 Wharf St Tweed Heads NSW 2485	8 Baylis Street Wagga Wagga NSW 2650	Level 3 43 Burelli Street Wollongong NSW 2500

Government Services

Head Office	ICT Strategic Delivery
Level 11 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: (02) 9372 9169 Fax: (02) 9372 9030 www.nswbuy.com.au Hours: 8.30am - 5.00pm	Level 12 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: (02) 9372 8235 Fax: (02) 9372 7212 Email: info.gcio@services.nsw.gov.au www.gcio.nsw.gov.au
NSW Procurement Client Support Centre	Tendering Complaints
Level 10 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: 1800 NSW BUY (679 289), (02) 9372 8333 Fax: (02) 9372 8687 nswbuy@services.nsw.gov.au www.nswbuy.com.au Hours: 8.30am - 5.00pm	State Contracts Control Board 2-24 Rawson Place Sydney NSW 2000 Tel: (02) 9372 8877 Fax: (02) 9372 7533

StateFleet

Level 12 McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 7740
Fax: (02) 9372 7722
www.statefleet.nsw.gov.au
Hours: 8.30am - 5.00pm

StateFleet Repairs Hotline

Tel: 1800 801 523
Hours: 8.00am – 5.00pm

Corporate and Shared Services Reform Program

Level 2, 12 Castlereagh Street
SYDNEY NSW 2000
Ph: (02) 9228 4173 (Office Manager)
Ph: (02) 9228 5173 (Program Director's EA)

ServiceFirst

ServiceFirst Operations

Finance | Human Resources | Information Technology |
Office Services
McKell Building 2-24 Rawson Place
Sydney NSW 2000
Phone: 02 9228 3400
ServiceFirstinfo@servicefirst.nsw.gov.au
Hours: 8.00am - 5.30pm

Grafton

76 Victoria Street
Grafton NSW 2460
Postal Locked Bag 10
Grafton NSW 2460
Tel: (02) 6641 6512
Fax: (02) 6641 6641

Newcastle

Level 2-3,
26 Honeysuckle Drive
Newcastle NSW 2300
PO Box 2213
Dangar NSW 2309
Tel: (02) 4904 2550
Fax: (02) 4904 2501

Orange

161 Kite Street
Orange NSW 2800
Tel: (02) 6391 3480
Fax: (02) 6391 3329

Parramatta

10 Valentine Ave
Parramatta NSW 2124
PO Box 3720
Parramatta NSW 2124
Tel: (02) 9895 6211

Sydney

Department of Lands Building
23 – 33 Bridge Street
Sydney NSW 2000
Tel: (02) 9228 6111

Sydney

Level 15 Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
Tel: (02) 9228 3400
Fax: (02) 9228 3292

Sydney

Levels 3 & 11
Bligh House
4-6 Bligh Street
Sydney NSW 2000
Tel: (02) 9228 3400
Fax: (02) 9228 3292

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 NSW 2650
PO Box 10
Wagga Wagga NSW 2650
Tel: (02) 6701 9632
Fax: (02) 6701 9682

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

NSW Industrial Relations

Head Office

McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: 131 628 (anywhere in NSW)
Fax: 9020 4700
Hours: 8.30 am - 5.00 pm

Campbelltown

Level 1, 101 Queen Street
Campbelltown NSW 2560
Tel: 131 628
Fax: (02) 4622 8399
Hours: 8.30 am - 5.00 pm

Coffs Harbour

22 Park Avenue
Coffs Harbour NSW 2450
Tel: 131 628
Fax: (02) 6652 2863
Hours: 8.30 am - 5.00 pm

Newcastle

Level 3, 97 Scott Street
Newcastle NSW 2300
Tel: 131 628
Fax: (02) 4929 1180
Hours: 8.30 am - 5.00 pm

Penrith

2-6 Station Street
Penrith NSW 2750
Tel: 131 628
Fax: (02) 4702 5302
Hours: 8.30 am - 5.00 pm

Wollongong

Level 2, Block F, 84 Crown Street
Wollongong NSW 2500
Tel: 131 628
Fax: (02) 4251 1888
Hours: 8.30 am - 5.00 pm

Land and Property Information

Head office

1 Prince Albert Road
Queens Square
Sydney NSW 2000
GPO Box 15
Sydney NSW 2001
T: 61 2 9228 6666
F: 61 2 9233 4357
Hours: 8:30am - 4:30pm Monday to Friday

Bathurst

346 Panorama Avenue
PO Box 143
Bathurst NSW 2795
T: 61 2 6332 8200
F: 61 2 6331 8095
Hours: 8:30am - 4:30pm Monday to Friday

NSW Public Works

Head office

Head Office
Level 20 McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8734
Fax: (02) 9372 7255
Hours: 9.00am – 5.00pm
www.publicworks.nsw.gov.au

Government Architect's Office

Government Architect's Office
Level 19 McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8411
Fax: (02) 9372 8499
Hours: 9.00am - 5.00pm

NSW Water Solutions

Level 14 McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 7960
Fax: (02) 9372 7999
Hours: 9.00am – 5.00pm

Manly Hydraulics Laboratory

110b King Street
Manly Vale NSW 2093
Tel: (02) 9949 0200
Fax: (02) 9948 6185

Project Management

Level 20 McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8671
Fax: (02) 9372 8866
Hours: 9:00am - 5.00pm

Project Management regional offices

Hunter New England

Regional Office
117 Bull Street
Newcastle West NSW 2309
Tel: (02) 4908 4999
Fax: (02) 4908 4954
Hours: 8.30am - 4.30pm

Tamworth
454-456 Peel Street
Tamworth NSW 2340
Tel: (02) 6768 4222
Fax: (02) 6768 4233
Hours: 8.30am - 5.00pm

North Coast

Regional Office
120 Dalley Street
Lismore NSW 2480
Tel: (02) 6626 5600
Fax: (02) 6626 5666
Hours: 8.30am – 5.00pm

Coffs Harbour
359 Harbour Drive
Coffs Harbour NSW 2450
Tel: (02) 6648 5911
Fax: (02) 6648 5905
Hours: 8.30am – 5.00pm

Port Macquarie
Maher Street
Port Macquarie NSW 2444
Tel: (02) 6586 7800
Fax: (02) 6586 7811
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
Hours: 8:30am-4:30pm

Riverina/Western

Regional office
140 William Street
Bathurst NSW 2309
Tel: (02) 4908 4999
Fax: (02) 4908 4954
Hours: 9.00am – 4.30pm

Broken Hill
32 Sulphide Street
Broken Hill NSW 2880
Tel: (08) 8087 9366
Fax: (08) 8087 9365
Hours: 8.00am - 4.30pm

Dubbo
34 White Street
Dubbo NSW 2830
Tel: (02) 6885 9333
Fax: (02) 6885 9300
Hours: 9.00am – 5.00pm

Wagga Wagga
2-6 Coleman Street
Wagga Wagga NSW 2650
Tel: (02) 6938 2880
Fax: (02) 6925 2087
Hours: 8.30am-5.00pm

Hay
414 Moppett Street
Hay NSW 2711
Tel: (02) 6993 1208
Fax: (02) 6993 2137
Hours: 8.30am - 4.30pm

South Coast

Regional Office
Level 3 Block E
84 Crown Street
Wollongong NSW 2500
Tel: (02) 4226 8500
Fax: (02) 4226 8534
Hours: 9.00am - 5.00pm

Goulburn
Level 1 RTA Building
211 Bourke Street
Goulburn NSW 2580
Tel: (02) 4822 2311
Fax: (02) 4822 2315
Hours: 7.30am - 4.00pm

Moruya
66 Campbell Street
Moruya NSW 2537
Tel: (02) 4474 7555
Fax: (02) 4474 7544
Hours: 8.00am - 4.30pm

Sydney Region

Regional Office
Level 5, 2 Burbank Place
Baulkham Hills NSW 2153
PO Box 8320
Baulkham Hills BC, NSW
2153
Tel: (02) 9852 0275
Fax: (02) 9852 0266
Hours: 8.30am - 5.00pm

Level 5
234 Sussex St
Sydney NSW 2000
Tel: (02) 9367 0777
Fax: (02) 9367 0728
Hours: 9.00am - 5.00pm

Essential Repairs and Service
Level 4, 2 Burbank Place
Baulkham Hills NSW 2153
Tel: 1800 422 110 (24 Hour
Service)
Tel: (02) 9852 0000
Fax: (02) 9852 0011

Heritage Services Stoneyard
92 Burrows Road
Alexandria NSW 2015
Tel: (02) 9565 9000
Fax: (02) 9516 2919
Hours: 9.00am - 5.00pm

Office of State Revenue

Parramatta (Head office)

Lang Centre, corner Hunter and Marsden Streets
Tel: (02) 9689 6200
Fax: (02) 9689 6464
Post: GPO Box 4042, Sydney NSW 2001
DX: 456 Sydney
Phone enquiries: 8:30 am – 5:00 pm Monday to Friday
Counter services: 8:30 am – 4:30 pm Monday to Friday

Newcastle

Level 2, 97 Scott Street
Tel: (02) 4925 5333
Fax: (02) 4925 5300
Post: PO Box 511, Newcastle NSW 2300
DX: 7860 Newcastle
Phone enquiries: 8:30 am – 5:00 pm Monday to Friday
Counter services: 8:30 am – 4:30 pm Monday to Friday

Wollongong

Level 6, 90 Crown Street
Tel: (02) 4253 1000
Fax: (02) 4253 1066
Post: PO Box 666, Wollongong East NSW 2520
DX: 5245 Wollongong
Phone enquiries: 8:30 am – 5:00 pm Monday to Friday
Counter services: 8:30 am – 4:30 pm Monday to Friday

State Debt Recovery Office

Maitland

Tel: 1300 138 118
Post: PO Box 786, Strawberry Hills NSW 2012
Phone enquiries: 8:00 am – 5:30 pm Monday to Friday

Lithgow

Tel: 1300 655 805
Post: PO Box A2571, Sydney South NSW 1235
Phone enquiries: 8:00 am – 5:30 pm Monday to Friday

Policy, Ministerial and Executive Services

Metropolitan Water Directorate

Level 16
McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8846
Fax: (02) 9372 8524
Hours: 8.30am – 5.30pm
www.services.nsw.gov.au

ICT Policy

Level 17
McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8877
Fax: (02) 9372 7070
Hours: 8.30am – 5.30pm
www.services.nsw.gov.au

Department of Finance and Services related entities

Australian Centre for Advanced Computing and Telecommunications (ac3)

Suite 7002, Locomotive Workshop
Australian Technology Park
Eveleigh, Sydney
Tel: (02) 9209 4600
Hours: 8.30am – 6.00pm
info@ac3.com.au

Board of Surveying and Spatial Information

Board of Surveying and Spatial Information Secretariat

Land and Property Information
346 Panorama Avenue
Bathurst NSW 2795
PO Box 143
Bathurst NSW 2795
Tel: (02) 6332 8238
Fax: (02) 6332 8240
BOSSI@lpi.nsw.gov.au

Building Insurers Guarantee Corporation

Fair Trading Services
Level 8, 2-24 Rawson Place
Sydney NSW 2000
PO Box 972, Parramatta, NSW 2124
Hours: 8.30am – 5.00pm
secretariat@services.nsw.gov.au

Consumer Trader and Tenancy Tribunal

Level 12, 175 Castlereagh St, Sydney 2000
GPO Box 4005, Sydney 2001
DX 11638 Sydney Downtown
Tel: 1300 135 399 (toll free)
Fax: 1300 135 247 (toll free)
Hours: 8.30am – 5.00pm
Sydney@cttt.nsw.gov.au

Fair Trading Administration Corporation

Fair Trading Services
Level 8, 2-24 Rawson Place
Sydney NSW 2000
PO Box 972, Parramatta, NSW 2124
Hours: 8.30am – 5.00pm
secretariat@services.nsw.gov.au

Geographical Names Board

Secretariat, Geographical Names Board

Land and Property Information
Panorama Avenue
Bathurst NSW 2795

PO Box 143
Bathurst NSW 2795
Tel: (02) 6332 8214
Tel: 1800 025 700
Fax: (02) 6332 8217
GNB@lpi.nsw.gov.au

Long Service Corporation

Head Office

Level 1
19-21 Watt Street
Gosford NSW 2250

Lidcombe Office

Level 1 CFMEU Building
12 Railway Street
Lidcombe NSW 2141

Mail

Locked Bag 3000
CENTRAL COAST MC NSW 2252
Tel: 13 14 41 (local call rates from fixed phones within Australia)
For calls from mobile phones the usual plan rates apply
Fax: (02) 9287 5685 (24 hours)
Hours: 8.30 am to 5.00 pm Monday to Friday
<http://www.longservice.nsw.gov.au>
info@longservice.nsw.gov.au

Motor Vehicle Repair Industry Authority

Motor Vehicle Services Unit
NSW Fair Trading
Enterprise House
1 Fitzwilliam St
Parramatta NSW 2150
PO Box 972
Parramatta 2124
Tel: (02) 9895 0111
Fax: 9895 0222
Hours: 8.30am – 5.00pm
secretariat@services.nsw.gov.au

NSW Architects Registration Board

Level 2, 156 Gloucester Street
Sydney NSW 2000 Australia
Tel: (02) 9241 4033
Fax: (02) 9241 6144
Hours: 9.00am – 5.00pm
mail@architects.nsw.gov.au
www.architects.nsw.gov.au

NSW Government Telecommunications Authority

Department of Finance and Services
McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8877
Fax: (02) 9372 7070
Hours: 8.30am – 5.30pm
www.services.nsw.gov.au

Rental Bond Board

Renting Services Branch
Locked Bag 19, Darlinghurst NSW 2010
Tel: 13 32 20

Secretariat functions of the Board are carried out by NSW Fair Trading at:

Level 22, 2-24 Rawson Place
Sydney NSW 2000
PO Box 972, Parramatta, NSW 2124
Fax: (02) 9338 8970
Hours: 8.30am – 5.00pm
secretariat@services.nsw.gov.au

State Contracts Control Board

State Contract Control Board Secretariat

Level 22 McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8840
Fax: (02) 9372 7533
Hours: 8.30am – 5.30pm
Secretariat.SCCB@services.nsw.gov.au
www.nswbuy.nsw.gov.au

State Property Authority

Level 9, 4-6 Bligh Street Sydney
GPO Box 5341 Sydney NSW 2001
Tel: (02) 9273 3800
Fax: (02) 9273 3911
<http://www.spa.nsw.gov.au/>

State Records Authority

Western Sydney Records Centre

143 O'Connell Street
Kingswood NSW 2747
Tel: (02) 9673 1788
Hours: 9.00am – 5.00pm
(Monday to Friday)
10.00am – 4.00pm (Sat)
info@records.nsw.gov.au
www.records.nsw.gov.au

Sydney Records Centre

2 Globe Street
The Rocks NSW 2000
Tel: (02) 9673 1788
Fax: (02) 9833 4518
Hours: 9.00am – 5.00pm
(Monday to Friday)
10.00am – 4.00pm (Sat)
records@records.nsw.gov.au
www.records.nsw.gov.au

Government Records Repository

143 O'Connell Street
Kingswood NSW 2747
Tel: (02) 9673 1788
Fax: (02) 8805 5306
Hours: 7.00am – 6.00pm
grr.nsw.@records.nsw.gov.au
www.records.nsw.gov.au/grr

Teacher Housing Authority of New South Wales

Level 14, St Martins Tower
31 Market Street
Sydney NSW 2000
Tel: (02) 9260 2000
Hours: 8.30am – 4.30pm
thastaff@tha.nsw.gov.au
www.tha.nsw.gov.au

Waste Assets Management Corporation

Level 4, 10 Valentine Avenue
PARRAMATTA NSW 2150
Tel: (02) 9685 4961
Fax: (02) 9372 7070

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This annual report has been prepared by the Department of Finance & Services for the purposes of *Annual Reports (Departments) Act, 1985* including tabling in Parliament and providing the public with access to copies. Our annual report is available online at the Department's website: <http://services.nsw.gov.au/about-us/library>.

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