NSW Department of Finance & Services Annual Report 2012/13

Including:

- NSW Procurement Board Report
- Waste Assets Management Corporation Annual Report
- Australian Centre for Advanced Computing and Communication Pty Ltd (ac3) Annual Report
- Office of the Valuer-General Report
- Surveyor-General's Report
- Registrar-General's Report
- Geographical Names Board of NSW Report

NSW GOVERNMENT | Finance & Services

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The Hon Andrew Constance MP
Minister for Finance & Services
Level 36
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Minister

I am pleased to submit the annual report for the NSW Department of Finance and Services for the year ended 30 June 2013 for presentation to parliament.

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

The report also includes reports for:

- NSW Procurement Board
- Waste Assets Management Corporation
- Australian Centre for Advancing Computing and Communication Pty Ltd (ac3)
- Office of the Valuer-General
- Surveyor-General
- Registrar-General
- Geographical Names Board of NSW

A copy of this report has been provided to Minister Roberts.

Should you have any queries in regard to this matter, please contact Mr Peter Harvey, Executive Manager, Corporate Affairs, on 9372 7704 or peter.harvey@services.nsw.gov.au.

Yours sincerely

Laurie Glanfield
Director General

About this report

This report covers the Department of Finance and Services and cluster agencies as at 30 June 2013.

Included in this report, under the section titled “DFS related entities annual reports and other reporting requirements”, are annual and other reports for the:

- NSW Procurement Board
- Waste Assets Management Corporation
- Australian Centre for Advanced Computing and Communication Pty Ltd (ac3)
- Office of the Valuer-General
- Surveyor-General
- Registrar-General
- Geographical Names Board of NSW

Annual reports are available at www.finance.nsw.gov.au/about-us/annual-reporting and www.opengov.nsw.gov.au/about

The Land and Housing Corporation was part of the Department of Finance and Services for the reporting period. On 2 August 2013 it was transferred to the Department of Family and Community Services (FACS) and its annual report is included in that of FACS.

The following entities produce their own annual reports:

- Board of Surveying and Spatial Information (BOSSI) available at www.bossi.nsw.gov.au/publications/annual_reports_plans
- Government Property NSW available at www.property.nsw.gov.au
- NSW Government Telecommunications Authority (Telco) available at http://telco.nsw.gov.au/
- State Records Authority available at www.records.nsw.gov.au/publications/annual-report/annual-report
- Teacher Housing Authority available at www.tha.nsw.gov.au/about/annualreport.cfm
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1. Director General's foreword

I am pleased to present the Department of Finance and Services (DFS) Annual Report for 2012/13.

DFS continued to respond to the priorities of the Government's long-term plan, NSW 2021, setting out its own program in the Corporate Plan 2012-2015 which includes business and service delivery plans of individual units and divisions within the DFS cluster.

This year's Annual Report details significant developments and achievements in the department's role as a service provider, regulator and central agency of government.

More than 5,400 DFS staff contributed to those achievements. I acknowledge their efforts and thank them for their continued support, particularly in the important area of customer service.

Notable changes to the structure of the department during the year included the transfer of NSW Industrial Relations to NSW Treasury and the formation of Government Property NSW to replace the State Property Authority.

The department is diverse and its wide-ranging portfolio captures a number of specialised functions.

We have supported the Government's vision of harnessing new and emerging technologies to provide more agile and responsive services to the community. The Land and Property Information division made significant progress in services, such as the Digital Plan Lodgement and Processing System, with the first lodgement made in September 2012. LPI has continued to enhance its spatial infrastructure to better support the function of other government agencies, industry and the community.

The Office of State Revenue continued to support the Government by collecting more than $19 billion revenue from state taxes, duties and fines. Its effective monitoring of tax compliance also resulted in an improved revenue return which ultimately benefits the people of New South Wales.

NSW Public Works project managed the rollout of vastly improved ServiceNSW centres which enable people to transact government business at a single location. Services include licence renewals and assistance with consumer issues by Fair Trading representatives.

The department again contributed to procurement savings for Government, managing 69 whole-of-government contracts and converting four contracts to open, flexible, pre-qualification schemes. With the launch of the new Procurepoint website, buyers and suppliers – especially the State's small to medium enterprises – have improved access to Government procurement information.

In 2013 we introduced the DFS People Strategy, guided by the results of the Public Service Commission's People Matter survey which was conducted across the NSW public sector in 2012. The DFS People Strategy sets out our plan to engage our people in strengthening and building a culture of performance, innovation and customer service, so that we can better fulfil our commitments to clients and stakeholders across NSW.

My appointment as Director General occurred after the reporting period, and I would like to acknowledge the work of my predecessor, Michael Coutts-Trotter. Michael was appointed in April 2011 and led the department through a period of significant change. On 26 July he left the department to take up the position of Director General of the Department of Family and Community Services.

The Land and Housing Corporation (LAHC) was moved to the Family and Community Services cluster on 2 August 2013. Anne Skewes, the Deputy Director General, Housing and Property Group, left the department to head up LAHC for the new portfolio.

The 2013 Annual Report contains many examples of the department's good work and achievements and I am delighted to commend it to you. Over the coming year, I look forward to working with all our staff and stakeholders to build upon this year's considerable achievements as we transform the way we deliver services to the NSW community.

Laurie Glanfield
Director General

2. About the Department of Finance and Services

2.1 Who we are

The Department of Finance and Services (DFS) 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.

DFS 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 as well as shareholder responsibilities in Landcom, and oversight of the superannuation portfolio.

DFS is a cluster agency with a number of divisions and related entities.

Changes during the year

On 12 September 2012 NSW Industrial Relations (NSW IR) was transferred from the Department of Finance and Services to the NSW Treasury cluster following a Government decision to amend the Administration of Acts and the commencement of the *Public Sector Employment and Management (Industrial Relations) Order 2012*. The operational elements of the transition including IT/HR and Finance were completed on 1 May 2013. The transfer was formally signed off by the heads of each department on 28 June 2013. Further details regarding the corporate and financial performance of NSW IR throughout 2012/13 can be found in the Treasury annual report.

The Long Service Corporation was transferred from the Finance and Services cluster to the NSW Treasury cluster on 12 September 2012 following a Government decision to amend the Administration of Acts and the commencement of the *Public Sector Employment and Management (Treasury) Order 2012*. Information about the Long Service Corporation for 2102/13 can be found in the Treasury annual report at http://www.treasury.nsw.gov.au/Publications_Page/Annual_Reports.

On 12 December 2012, the NSW Government established Government Property NSW, replacing the former State Property Authority. This followed recommendations by the Property Asset Utilisation Taskforce that a new body be established to enable a more strategic approach to managing Government assets.

The Policy and Executive Services division was disbanded from 27 May 2013 and its responsibilities allocated to other divisions:

- The Metropolitan Water Directorate and the Strategic Policy group were moved to the Government Services division, renamed Government Services and Policy
- Ministerial Services & Corporate Affairs and Organisational Performance & Risk were moved to the Corporate Services division
- The General Counsel and the Internal Audit Unit were moved to the newly created Office of the Director General.

The Land and Housing Corporation was part of the Finance and Services cluster for the reporting period. On 2 August 2013 it was transferred to the Family and Community Services (FACS) cluster and its annual report is included in that of FACS.

Our divisions

At 30 June 2013, DFS comprised ten administrative divisions.

- Housing and Property Group
- Office of Finance
- NSW Public Works
- NSW Fair Trading
- Government Services and Policy
- Office of State Revenue
- Land and Property Information
- Corporate Services
- Corporate Finance
- Office of the Director General

Our related entities

The following related entities exist outside the principal department's administrative body, and are established pursuant to legislation.

Finance and Services portfolio

- Australian Centre for Advanced Computing and Communication Pty Ltd (ac3) (established pursuant to the *Corporations Act 2001* (Cth)
- Board of Surveying and Spatial Information
- Geographical Names Board of New South Wales
- New South Wales Land and Housing Corporation
- NSW Architect Registration Board
- New South Wales Government Telecommunications Authority (Telco)
- New South Wales Procurement Board (a new entity that replaced the State Contracts Control Board)
- Government Property NSW (replaced the State Property Authority)
- State Records Authority of New South Wales
- Teacher Housing Authority of New South Wales
- Waste Assets Management Corporation

Fair Trading portfolio

- Consumer, Trader and Tenancy Tribunal
- Fair Trading Administration Corporation
- Motor Vehicle Repair Industry Authority
- Rental Bond Board

2.2 What we do

The **Housing and Property Group** oversees and provides strategic direction for: the NSW Land and Housing Corporation, responsible for asset and property management services across NSW public housing assets; the Government Property NSW which provides planning, acquisition and commercial management of the NSW Government's office accommodation portfolio; the Teacher Housing Authority, providing teachers with housing services where the private rental market does not meet their needs; and the Waste Assets Management Corporation, which manages several landfill sites along with the rehabilitation and aftercare of closed landfill sites.

The **Office of Finance** provides strategic financial, economic and policy advice across a wide range of portfolio responsibilities including State superannuation and asset management. As well, the Office of Finance leads significant whole-of-government reform initiatives and supports the Minister in his capacity as a member of the Expenditure Review Committee and as a shareholding Minister in twelve State owned corporations. The Office applies an expert, pragmatic and objective and financial viewpoint to these policy areas to drive improved financial and commercial outcomes and fresh perspectives.

NSW Public Works provides expert advice 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, engineering and environmental projects enables clients to maximise value, minimise costs and manage risks in their infrastructure programs and in the management of their assets. NSW Public Works has capabilities to support the management of the environment including data capture and analysis of real time environmental data.

NSW Fair Trading safeguards consumer rights and advises traders on fair, ethical practice. It informs the community regarding these matters, mediates consumer complaints, and enforces compliance through licensing, inspections, investigation, prosecution, civil proceedings and other disciplinary action. NSW Fair Trading also reviews and develops legislation and the regulatory framework in NSW, and implements the Council of Australian Governments' (COAG) National Reform projects that impact on NSW Fair Trading.

Government Services and Policy comprises NSW Procurement, Corporate and Shared Services Reform, ServiceFirst, StateFleet, ICT Strategic Delivery, Strategic Policy and the Metropolitan Water Directorate. It provides services to NSW Government departments in the areas of procurement, fleet, information technology, human resources, finance and business services. The division supports and delivers whole-of-sector policy and reforms in procurement, information and communication technology, corporate and shared services and Metropolitan Water, and provides support to the NSW Procurement Board.

The **Office of State Revenue** administers State taxation and revenue programs, and fines management and collection for and on behalf of the people of New South Wales. The Office of State Revenue collects revenue and outstanding fines, and administers grants and subsidies to provide valuable assistance to families and enterprises across New South Wales.

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 integrity in NSW, maintains and promotes standards that ensure secure, consistent and quality spatial and valuation information is provided to the community.

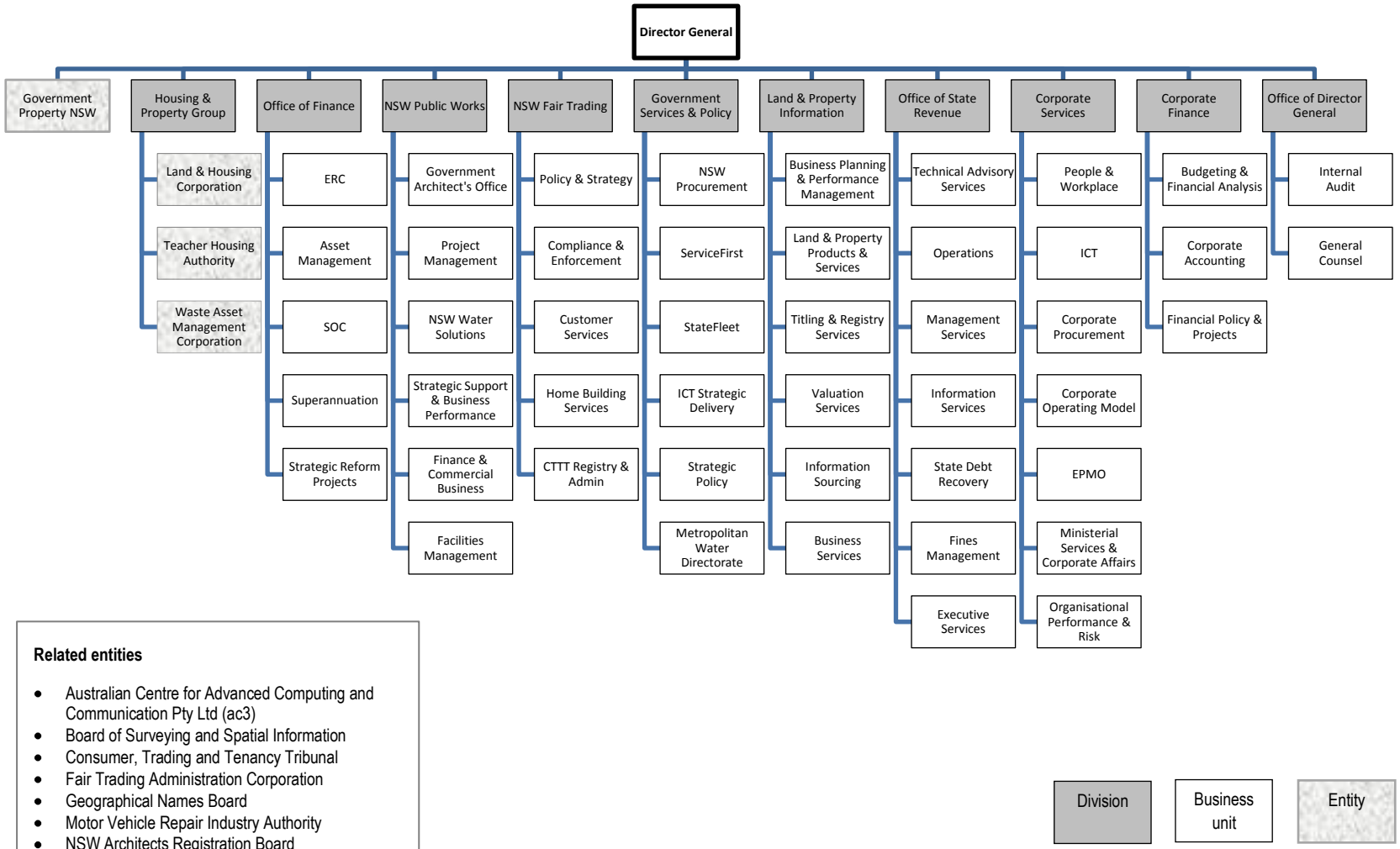
The **Corporate Services** division delivers support services to the Director General and DFS divisions in the areas of procurement, people, workplace, information technology, records

management, project and change management, ministerial services, corporate affairs and organisational performance and risk. Additionally, Corporate Services is responsible for leading the implementation of corporate and shared services reform within the department. Corporate Services also manages the service relationship with ServiceFirst on behalf of DFS divisions.

The **Corporate Finance** division is responsible for overall financial performance management and ensuring the financial viability of the department. The division does this through the coordination of policy, planning and business analysis, as well as implementing strict budget controls and financial performance targets. Major functions include financial analysis, budgeting and forecasting, performance and statutory reporting and compliance.

The **Office of the Director General** comprises the Office of the General Counsel and the Internal Audit Unit and provides support for the Director General. It delivers legal support and audit and compliance services across the Finance and Services cluster.

2.3 Organisation chart at 30 June 2013



Related entities

- Australian Centre for Advanced Computing and Communication Pty Ltd (ac3)
- Board of Surveying and Spatial Information
- Consumer, Trading and Tenancy Tribunal
- Fair Trading Administration Corporation
- Geographical Names Board
- Motor Vehicle Repair Industry Authority
- NSW Architects Registration Board
- NSW Government Telecommunications Authority (Telco)
- NSW Procurement Board
- Rental Bond Board
- State Records Authority of New South Wales

2.4 Principal officers

Michael Coutts-Trotter

Director General, Department of Finance and Services

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.

Simone Constant

Executive Director, Office of Finance

Simone Constant has extensive experience in banking, finance, portfolio investment, funds management and law. Her career to date has encompassed senior private sector finance, legal and risk management roles across infrastructure and project finance, general corporate work, asset and funds management, debt and equity principal investment, and pure risk management within finance. Prior to joining the department, Simone held roles as the head of risk, strategy and planning at the Commonwealth Bank (Institutional and Business Banking) and as a partner at Access Capital Advisors.

Brian Baker

Deputy Director General, NSW Public Works

Brian Baker has more than 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.

Rod Stowe

Commissioner, NSW Fair Trading

Rod Stowe was appointed as Commissioner for Fair Trading in July 2011. Rod has worked in the Fair Trading portfolio for over 24 years where he has had a variety of roles including Policy Advisor, Director of Customer Services, Assistant Commissioner for Policy and Strategy and Deputy Commissioner. In a public sector career spanning 36 years, Rod has gained wide experience in government following previous postings in portfolios covering environmental protection, education, local government and state superannuation.

In May 2011, Rod was awarded the Public Service Medal for outstanding public service in the provision of consumer protection to the community of New South Wales.

Anne Skewes

Deputy Director General, Housing and Property Group

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.

Tony Newbury

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

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.

Des Mooney

General Manager, Land and Property Information and Registrar-General, Surveyor-General

Des Mooney was appointed to the position of General Manager, Land and Property Information, in February 2001 and was appointed as Registrar-General and Surveyor-General of NSW in October 2011. He has extensive senior management experience in both the public and private sectors including experience in surveying, mapping and valuation activities. He is the President of the Board of Surveying and Spatial Information and Chair of the Geographical Names Board. 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.

Anthony Lean

Deputy Director General, Government Services and Policy

Anthony Lean was appointed to the position of Deputy Director General Government Services and Policy on 27 May 2013. Prior to this, Anthony had held the position of Deputy Director General Policy and Executive Services. Anthony has 20 years' experience in policy and legal 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 policy and legal issues across government and has developed or overseen the passage of a number of significant legislative reforms.

John Hubby

Deputy Director General, Corporate Services

John Hubby was appointed to the position of Deputy-Director General, Corporate Services on 2 April 2012. John has extensive senior management experience that spans corporate services, policy, health and human services in both the public and private sectors in Australia and the United States. He has led significant reform initiatives across a range of settings including the implementation of the NSW Government corporate and shared services reform agenda.

Sajeev George

Chief Financial Officer

Sajeev George has extensive financial management experience in the NSW public sector. His previous roles include senior finance positions in the former Department of Services, Technology and Administration and Department of Commerce leading finance teams through significant changes including restructures, reform programs, and implementation of new systems. His career path spans both the public and private sector in Australia and overseas.

Colleen Dreis

General Counsel

Colleen Dreis joined the department in January 2012 and is the General Counsel. Prior to this, Colleen worked with Housing NSW for 24 years. She held the position of Executive Director, Governance and Regulation, for five years and Director of Legal Services for 18 years prior to that. In 2008 she was

awarded the Public Service Medal in the Australia Day Honours List for outstanding service to the Legal Services Branch of the NSW Department of Housing.

Brett Newman

Chief Executive Officer, Government Property NSW

Brett Newman was appointed to the role of Chief Executive Officer, Government Property NSW on 29 April 2013. Brett is a senior executive with a strong track record in real estate, having developed strategies, raised capital and executed major transactions in various global markets including Australia, United Kingdom and Asia. He is a strong leader and change agent with a proven track record of managing dynamic teams through the development of new strategic directions and executing major business transformations.

Changes to the Executive in 2012/13

- Vicki Telfer, Executive Director, NSW Industrial Relations, transferred to NSW Treasury on 12 September 2012
- Colleen Dreis was appointed as General Counsel on 9 January 2013
- Brett Newman was appointed as CEO Government Property NSW on 29 April 2013
- Anthony Lean, Deputy Director General, Policy and Executive Services, was appointed Deputy Director General, Government Services and Policy on 27 May 2013
- Anne Skewes, Deputy Director General, Government Services, was appointed Deputy Director General, Housing and Property on 27 May 2013
- Ken Kanofski, Executive Director, Housing and Property Group, left the department on 28 June 2013.

3. Highlights

3.1 Housing and Property Group

Housing and Property Group (HPG) focuses on professional and economic asset management and utilisation, which allows other Government departments to focus on core business delivery.

HPG's business divisions deliver services and outcomes in managing assets including:

- Property and asset management
- Procurement of construction services
- Commercial and residential property management
- Finance services
- Project management (e.g. construction projects, business service)
- Property design and technical services (e.g. surveyor, architect, town planners)
- Business management and support.

HPG administers the following key entities:

NSW Land and Housing Corporation

The NSW Land and Housing Corporation (LAHC) owns and/or manages the State's public, community and Aboriginal housing assets. LAHC owns and manages these assets with the aim of maximising financial and social outcomes within the agreed policy framework to provide homes for people who are some of the State's most vulnerable and cannot meet their own housing needs.

LAHC was transferred to the Family and Community Services (FACS) cluster on 2 August 2013. Its 2012/13 annual report is included in that of the Department of Family and Community Services and is available at www.facs.nsw.gov.au/publications.

Teacher Housing Authority

The Teacher Housing Authority (THA) support teachers by providing them with quality housing in areas where the private rental market does not meet their needs. THA services are primarily driven by client demand and are directed at isolated rural communities and areas of the State where there is an inadequate private rental market.

THA also undertakes: the initiation, promotion, commissioning and undertaking of surveys and investigations into the housing needs of teachers; the undertaking, promotion and encouragement of research into the design, construction and maintenance of housing suitable for teachers; the planning of the provision of a comprehensive and coordinated housing service for teachers throughout New South Wales; the provision, conduct, operation and maintenance of a housing service for teachers and the advising of, and the making of, reports and recommendations to the Minister for Education and Training in respect of matters relating to the housing of teachers.

THA owns and manages some 1,500 houses and villa units throughout the State.

THA delivers a focused approach to meet its objectives through the following key result areas: asset management, tenancy management, financial management and operational management. The Teacher Housing Authority annual report is available at www.tha.nsw.gov.au/about/annualreport.cfm

Waste Assets Management Corporation

The Waste Assets Management Corporation (WAMC) owns and operates several landfill sites. WAMC is responsible for the management of two operational landfills at Eastern Creek and Belrose Waste Management Centre, along with the rehabilitation and aftercare of several closed landfills across the Sydney metropolitan region.

WAMC focuses on reducing the environmental impacts of operational and closed landfills through initiatives such as the efficient collection of landfill gas with the potential for generating both renewable energy and green credits. WAMC facilities generate a total of 96,000 MW hours per annum of renewable electricity whilst significantly reducing climate-impacting methane gas emissions. The WAMC annual report is on page 58 and the financial statements are on page 139.

State Property Authority

On 12 December 2012, the State Property Authority, formerly part of HPG, was replaced by Government Property NSW. The Government Property NSW annual report is available at www.property.nsw.gov.au.

3.2 Office of Finance

The primary role of the Office of Finance (OOF) is to provide a strategic financial viewpoint, grounded in a framework that balances risk and return, to address Government financial, economic and commercial issues and improve budget and balance sheet outcomes. This includes providing advice

across a wide range of portfolio responsibilities for three key areas of work: strategic property transactions and finance, commercial and transactional programs, and superannuation and financial entities.

Strategic property transactions and finance

The OOF executes Government-wide asset management strategies, through implementation of policy reform, execution of major transactions and innovation in Government property asset financing.

The Property Asset Utilisation Taskforce (PAUT) began work in February 2012 and received financial, policy and secretariat support from the OOF. The PAUT Report was publicly released on 20 November 2012 by the Minister for Finance and Services. It outlined fifteen key recommendations to ensure that the Government should only hold public sector real property assets when required, and in the form necessary, to support core Government service provision. Parliament subsequently endorsed the recommendation to establish the new central Government property body Government Property NSW, which has begun to implement the PAUT's other recommendations.

The OOF established a Divestment Steering Committee (DSC) to assess divestment opportunities against the Government's new real property principles and approach. As a result, seven non-essential NSW Government buildings were identified and subsequently sold for more than $405 million. Proceeds were used to fund essential infrastructure to boost the housing sector through the Housing Acceleration Fund. The DSC continues to oversee the disposal of a select group of assets.

In the fourth quarter of 2012/13, the OOF established a new steering committee, the Strategic Property Transaction Committee. Comprised of members from Government agencies, the committee will oversee the review and possible disposal of strategic real property assets across Government.

Commercial and transactional programs

The OOF began an evaluation of alternatives to the existing in-house models of service delivery to Government agencies. It led the Department of Finance and Services' key strategic and commercial reviews of its model of service provision. This included implementing commissioning reform in a way that developed a market testing, commissioning and structuring capability relevant to the Government sector generally. One example was the development of a Strategic Commissioning Framework, in collaboration with other central agencies, to support contestability and market testing of Government services.

The OOF engaged extensively with the NSW Treasury, the Department of Premier and Cabinet and the Public Service Commission to establish a sector-wide approach to adopt commissioning as a better way of delivering Government services.

Superannuation and financial entities

The OOF supports the Minister for Finance and Services with his portfolio's responsibilities for superannuation. It administers the Minister's responsibilities in Government superannuation and self-insurance, taking a whole-of-government view that balances efficiency, return and improvement opportunities with appropriate prudential oversight and portfolio stability.

The OOF has a particular focus on regulatory and prudential responsibilities under the *Superannuation Administration Act 1996*, which serve to safeguard the estimated $38.2 billion in retirement funds currently under management. In November 2012, the Public Service Commission's role in superannuation was formally transferred to the OOF. This change was to align with the strategic centre initiative, reduce duplication of effort and ensure consistency of communication in superannuation policy.

The OOF also worked with the NSW Treasury, State Super and Pillar Administration to drive enhanced risk/return performance for beneficiaries, while improving risk management practices and the effectiveness of administration of the State's superannuation assets. The OOF developed an investment governance framework for the NSW Government that delivered the desired whole-of-

Government measurement and management of liability risks, provided for adequate entity oversight and preserved the integrity of entity fiduciary responsibilities.

In May 2013, the OOF and NSW Treasury completed an internal review of the NSW Self Insurance Corporation (SICorp) in preparation for its transition from NSW Treasury to the Department of Finance and Services. From 1 July 2013, the 45 staff of SICorp will be part of the OOF.

State owned corporations

The Minister for Finance and Services is either the Shareholding Minister or Portfolio Minister for all fifteen State owned corporations trading within New South Wales. These businesses are significant commercial, financial and service entities managing around $60 billion in assets and delivering essential services such as water, electricity and cargo transport to NSW consumers. The OOF works with other departments in a steering capacity to guide priority State owned corporations transactions, reforms and divestments in line with the Government's objectives. Recent projects included the successful electricity generator sale transactions, the long term leases of Port Botany and Port Kembla, and the corporatisation of State Forests.

The OOF worked with NSW Treasury to support a more active Government shareholding in the State owned corporations, by delivering improved business plans, performance reporting, peer benchmarking and governance.

On 30 April 2013, the NSW Government agreed to a review of the legislative framework for the governance and accountability of State owned corporations. The review will examine whether the legislative framework, comprising the *State Owned Corporations Act 1989* (SOC Act) and the foundation charters of the State owned corporations, requires amendments to improve the commercial performance, efficiency and accountability of State owned corporations. This is a joint review being carried out by the NSW Treasury, Department of Premier and Cabinet and the OOF.

This work is expected to drive efficiencies and improved financial outcomes for the State, while reducing billing impacts on customers and ensuring high standards of service.

Expenditure Review Committee

The OOF provided expert strategic advice to the Minister for Finance and Services in his role as a member of the Cabinet Standing Committee on Expenditure Review.

The Cabinet Standing Committee on Expenditure Review is responsible for scrutinising all significant expenditure and revenue proposals proposed by the NSW Government. The Committee leads Government's efforts to meet a number of NSW 2021 Plan goals aimed at rebuilding the NSW economy. It seeks to meet these goals through prudent financial management to place the State's finances on a sustainable, long-term footing and protect NSW's Triple A credit rating. Fiscal strength and sustainability will enable the NSW Government to grow the economy, create jobs, invest in infrastructure and services and improve the standard of living enjoyed by the people of New South Wales.

Whole-of-government reform and budget

During 2012/13, the OOF was directly involved in public sector financial management including valuable central agency work to improve Cabinet processes and the budget setting process.

The OOF collaborated with the Department of Planning and Infrastructure, NSW Treasury and the Department of Premier and Cabinet on a number of planning and housing initiatives involving social housing, assessing potential new housing development areas, growth infrastructure plans and planning reform, including developer and infrastructure contributions.

The OOF completed a review of whole-of-government debt recovery, which found that continuing to develop the Office of State Revenue as a Centre of Excellence in debt recovery was the most effective and efficient way forward.

3.3 NSW Public Works

In 2012/13, NSW Public Works contributed to driving economic growth in regional areas by maintaining regional-based management capability and working with agencies to deliver their regional capital works and maintenance programs.

NSW Public Works managed approximately $1 billion worth of projects, achieving a very high client satisfaction rating of 83%, against an industry standard of 75%.

Education

NSW Public Works carried out extensive work for the Department of Education and Communities. During the year it:

- Completed 45 Trade Training Centre projects valued at $49 million and completed and handed over nine major capital works project to the Department of Education and Communities, providing new libraries, administration buildings, specialist high school classrooms and performance spaces valued at $64 million
- Completed five TAFE major capital works projects with a value of $28.2 million including a design centre and metal fabrication area, upgrades to a community services centre and to engineering and digital media centres, and upgrades to fire safety standards
- Managed the detailed design, documentation, tendering and construction of a solar desiccant air conditioning system at Hamilton TAFE, Newcastle. The project is the largest and the second of only two solar desiccant cooling systems anywhere in the world
- Completed design and documentation for the refurbishment and adaptive re-use of the Northern Sydney Institute of TAFE Dunbar building. The design included master planning and documenting the revitalisation of the surrounding external spaces and building envelope, including a new college green. The design integrated solar panel arrays into the facade, and a building management system which displays information about energy use and environmental performance
- Used 3D modelling for visualisations and animations to improve communication and client understanding on a number of education projects.

Asset management

NSW Public Works introduced the new State-wide cleaning contract which was established to meet the specific and unique requirements of a small number of Government clients not available under the whole-of-government cleaning contract.

Approximately 164 new sites, from Newcastle to Kiama, were incorporated into the whole-of-government cleaning contract for RailCorp.

A number of contracts were implemented including security officers for Art Gallery NSW, site security and event management services for Sydney Olympic Park and a Test and Tag contract for portable electrical equipment.

NSW Public Works carried out an asset management examination of the 65km long Upper Canal, which transports raw water into Sydney’s water supply, for the Sydney Catchment Authority. Management strategies were developed to extend the Upper Canal's operational life for another 10 years.

Urban and architectural design

NSW Public Works undertook a range of design projects that included:

- The “Design Parramatta” project, which aims to re-imagine the City's public spaces using concept designs for major streets, lanes and public spaces which combine to form a master plan to transform the public spaces
- The “Singleton Town Centre Master plan” to provide Singleton Council with strategic planning guidance for the revitalisation of the town centre
- Providing strategic direction to the Parramatta Park Trust in the management of the highly significant landscape by producing master plans to improve connections to the wider Parramatta and Westmead business and residential communities, improve the Park user experience, celebrate its cultural heritage and natural environmental assets, and identify commercial opportunities to increase revenue.

NSW Public Works designed the Yurong public amenities on a site close to Mrs Macquarie’s Chair. The design, which required retention of all trees and reuse and accommodation of existing above ground services, is now considered a prototype for other amenities in the gardens. The project received an award at the 2013 NSW Architecture Awards.

In collaboration with the Teacher Housing Authority, NSW Public Works designed the Eco Village in Broken Hill. The Eco Village uses environmentally friendly materials suitable for Broken Hill’s harsh climate and provides adaptable accommodation to attract teachers and their families to the area.

The Sydney Harbour Foreshore Authority commissioned NSW Public Works to develop a detailed 3D model for White Bay Power Station to assist in developing and framing planning strategies and managing the conservation and maintenance of the facility.

Health

NSW Health Infrastructure engaged NSW Public Works to project manage the Grafton Base Hospital redevelopment. The $30 million project provided a new surgical services facility, an upgraded emergency department and a new hospital kitchen.

Lift facilities at Leeton and Temora Hospitals were replaced to comply with current health requirements and the growing needs of the hospitals.

Heritage

NSW Public Works managed the Minister’s Stone program and completed $10.5 million of restoration work.

Key projects completed in 2012/13 included, stone conservation and seismic stabilisation works at Newtown Performing Arts High School, stormwater repairs and lead weatherings at Concord’s Thomas Walker Hospital, stonework 'makesafe' at Building W, Sydney Institute of TAFE and the Paddington Gates at Centennial Park. Work also began on the Sydney Lands Title Office and the southern elevation of the Powerhouse Museum.

The NSW Public Works Heritage group produced guidelines and a brochure for all RSL's, clubs, local governments, private bodies and Government agencies that outlined the care and repair of the State’s war memorials.

Water

The State Water Corporation engaged NSW Public Works as site manager of the Copeton Dam Safety Upgrade works. The $45.5 million project, which included the construction of an auxiliary fuse plug spillway, was completed four months ahead of schedule in March 2013.

Sydney Water and NSW Public Works collaborated to design a sewage treatment system to service a number of villages in urban growth areas on the fringe of Sydney, under Sydney Water's Priority Sewerage Program. Based on NSW Public Works' compact Intermittently Decanted Extended Aeration treatment plant, the design offered cost reductions and allowed for future housing and commercial development of these areas.

NSW Public Works project managed the augmentation and upgrade of the waste water transport systems and treatment plant that service the Gosford local government area. This four-year project is critical to meeting the sewage and wastewater requirements of the growing central coast population.

On behalf of Lachlan Shire Council, NSW Public Works designed and managed the construction of a new water supply scheme for the Lake Cargelligo community. They secured the water supply by constructing a 35km pipeline to deliver six ML/day of groundwater.

A detailed design was completed for a water supply transfer system from Split Rock Dam to the township of Barraba for Tamworth Regional Council. Designed to transfer up to three ML per day from Split Rock Dam to the Barraba water treatment plant the system is under construction and will provide reliable water supply for the Barraba community under all conditions.

NSW Public Works surveyed, investigated and provided documentation to restore and protect the Lower Hunter River banks against erosion and damage. The banks protect the levee system that forms the Lower Hunter Valley Flood Mitigation Scheme. It also completed a series of extensive flood levee audits, including large scale crest level surveys of priority urban flood levees.

NSW Public Works designed and managed the construction of a fishway over a weir on the Barwon River at Brewarrina. The fishway eliminated a blockage to native fish migration and will lead to increased fish breeding to help preserve native fish diversity in the Murray/Darling River system.

Precision monitoring surveys were carried out for the Port Botany expansion project to ensure that $1 billion port expansion in Sydney was performing as it was designed. Satellite technology was used to establish high-accuracy survey control over a 70-hectare site.

Surveyors also responded to an urgent request for precision surveys at Yass Dam in relation to the tensioning of new anchors being installed at the dam upgrade site. The surveys were to ensure the new dam wall was performing as it was designed to during the tensioning operation.

NSW Public Works was a committee member for the review of the *Dam Safety Act 1978* and the Hawkesbury-Nepean Valley Flood Management Review.

Emergency and disaster management

NSW Public Works' broad range of engineering expertise was mobilised to assist combat agencies in emergency situations.

In 2012/13, NSW experienced a range of natural disasters and emergency incidents in response to which the engineering emergency management team provided engineering advice. The work included emergency access into Upper Coopers Creek community following road collapse, establishment of recovery centres in Bankstown, Coonabarabran, Grafton and Kempsey, asbestos clean-up following tornados in Kiama, Woodburn and Mulwala and a clean up after the January 2013 Warrumbungle bushfire.

Engineering emergency management personnel also gave structural advice to Fire and Rescue NSW, which enabled them to respond to numerous serious property fires, partial building collapses, industrial and motor vehicle accidents in the Sydney metropolitan area.

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. In 2012/13, 34 grant offers to the value of $18.2 million were recommended for approval, and 74 payments, amounting to $20.1 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

	2008/09 actual	2009/10 actual	2010/11 actual	2011/12 actual	2012/13 target	2012/13 actual	Comment	2013/14 target
Projects managed on time	93%	92%	85%	89%	85%	87%	Target exceeded	85%
Projects managed on budget	87%	92%	85%	92%	85%	92%	Target exceeded	85%
Lost time injury frequency ratio	3.4	2.4	2.86	2.7	5.0	2.3	Note 1	5.0

Note 1: Lost time frequency injury ratio of 2.3 (i.e. 2.3 injuries for each million hours worked) compared to construction industry annual average of 15.5 injuries for each million hours worked. This ratio is better than the target which was set at 5.0.

3.4 NSW Fair Trading

NSW Fair Trading works to promote a fair and competitive marketplace for consumers and traders. This is done through safeguarding consumer rights, ensuring that legislation and regulatory frameworks meet the requirements of today's commercial environment, and providing information and services which enable individuals and businesses to understand consumer protection laws and to function effectively in the marketplace.

Fair Trading 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 2012/13, NSW Fair Trading answered 951,255 telephone enquiries across the State, including the Fair Trading Information Centre which answered 90.2% of calls 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 the website continued to grow with 3,783,187 visits in 2012/13, an increase of 7%* on the previous year.

** A new data collection methodology was implemented in July 2012. Any variance in visits data from previous years is because the new methodology has improved filtering for ensuring visits counted are by people rather than automated search engine processes.*

During 2012/13, a total of 43,160 consumer complaints were received, of which 33,942 related to general fair trading matters, 7,774 concerned home building and 1,444 related to real estate issues. Of these, 93% were successfully resolved. Fair Trading delivered 687 information sessions, talks and seminars attended by 18,503 people throughout the State.

A total of 14,524 new home building licences were issued, 97% within 30 days, exceeding the guarantee of service target of 85%. Of the 65,101 home building licence renewals, the target was exceeded with 94% issued within two working days.

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 relevant issues.

In 2012/13 Fair Trading carried out a total of 7,008 inspections and 1,876 investigations through targeted compliance programs across New South Wales.

In particular, Fair Trading investigators visited 1,656 home building sites and issued 327 penalty notices for various offences under the *Home Building Act 1989 and the Electricity (Consumer Safety) Act 2004*.

Following the introduction of the *Australian Consumer Law* on 1 January 2011, Fair Trading undertook effective compliance and enforcement measures in collaboration with other State, Territory and Commonwealth consumer protection regulators. NSW Fair Trading led a multi-jurisdictional program to stamp out the criminal activities of travelling con men offering unlicensed building work. In 2012/13, 56 prosecutions commenced against 54 individuals for 205 offences under the *Australian Consumer Law* or the *Home Building Act 1989*, with more than $475,000 in fines and costs imposed. As a result of the campaign, 46 individuals departed Australia.

Fair Trading also worked closely with the Commonwealth Department of Immigration and Citizenship to prevent Jerry Connors, a known conman, from re-entering Australia. In January 2013, at the request of Fair Trading investigators, Department of Immigration officials stopped Mr Connors at Perth airport. Mr Connors was served with 18 court attendance notices and turned away from entering the country.

As Chair of the Compliance and Dispute Resolution Advisory Committee (CDRAC), NSW Fair Trading plays a significant leadership role in national compliance and enforcement matters. The role of CDRAC is to effectively coordinate ACL regulator responses on consumer protection issues that have a national perspective. A major part of CDRAC's role is to undertake national compliance projects.

In 2012/13, NSW participated in seven ACL national projects including a project aimed at ensuring the accuracy of representations made about olive oils and gift cards, responding to the developing on-line group buying market and an online campaign to raise community awareness of fake website testimonials.

Enforcement action

Offences against fair trading legislation are detected through complaints, inspections, intelligence gathering and as a result of formal investigations of complaints. During the year 493 traders were issued with penalty notices in relation to 930 offences, resulting in financial penalties of $691,200.

Formal prosecutions, where 97% of cases were successful, resulted in over $586,000 in fines and penalties for 324 offences involving 96 defendants.

In addition, more than $1.5 million in compensation orders was awarded to consumers by the courts as a result of civil actions undertaken by Fair Trading for breaches of the law.

During 2012/13, Fair Trading's prosecutions resulted in a number of people receiving custodial sentences.

In March 2013, Mark Anthony Buhagiar was sentenced to 18 months imprisonment with a non-parole period of $13^{1/2}$ months, after pleading guilty to eight charges under the Crimes Act 1900 of using a false document to obtain financial advantage. The charges related to forged trade qualification certificates in the electrical, refrigeration and air conditioning categories, uncovered by Fair Trading investigators during Operation Ruse.

In May 2013, Roger and Gordana Ocvirk were each sentenced to 18 months imprisonment with a non-parole period of 12 months for failing to account for over $1,400,000 held in trust by two separate businesses and failing to supervise another business. The Ocvirks' sentences are under appeal. All offences are breaches of the *Property, Stock and Business Agents Act 2002*.

Synthetic drugs

During 2012/13, NSW Fair Trading took action to protect the community from dangerous consumer products including carrying out a large scale compliance operation in relation to synthetic drugs.

Following the release of a NSW Parliamentary Report in May 2013 regarding the dangers of synthetic drugs, NSW imposed an interim ban under the *Australian Consumer Law* on the sale or supply of 19 named synthetic drugs (including any colourable variation of the name) and their equivalent products in June 2013. The interim ban was developed in consultation with the NSW Police Force Drug Squad with all products named on the interim ban being linked to incidents of harm identified by Drug Squad intelligence.

The ban followed the recommendations in the Parliamentary Report which referred to instances of harmful side effects including psychosis and deaths linked to the use of the drugs and noted problems with the current drug laws in combating them.

Fair Trading undertook a large scale compliance operation, named Operation Salt, in support of the ban. Over 100 Fair Trading officers visited 1,044 retailers including tobacconists and adult stores across NSW over a four day period from 11-14 June 2013 to provide retailers with information about the interim ban and assess compliance levels. Use of the *Australian Consumer Law* proved effective in removing the banned synthetic drugs from the marketplace with only 65 retailers across NSW found to be selling banned products or still holding stock, post ban.

NSW's compliance activities generated significant media interest and resulted in South Australia replicating the NSW interim ban. Following calls from NSW, the Commonwealth introduced a national interim ban on the same 19 synthetic drugs and products represented to be their equivalents on 18 June 2013.

Fair Trading was successful in having the website domain names removed for six websites suspected of continuing to sell products in contravention of the national interim ban.

Phase 2 of Operation Salt involved Fair Trading officers conducting a number of targeted follow-up inspections of problematic traders in the Penrith, Newcastle and Upper Hunter regions.

NSW Fair Trading's efforts on synthetic drugs resulted in the agency being appointed to lead the whole-of-government response to the Parliamentary Report, a process which is still underway.

NSW participation in national reform

The Council of Australian Governments (COAG) is implementing 27 national reform projects to deliver a seamless national economy. Seven of these projects have had a direct impact on the operations of NSW Fair Trading, which finalised its involvement in six of these initiatives.

Work on the final initiative, reforms for a national occupational licensing system, continued in 2012/13.

Consultation Regulation Impact Statements were released for the occupations proposed to be included when the National Licensing Scheme commences. Decision Regulation Impact Statements are expected to be finalised in 2013/14.

COAG at its meeting on 19 April 2013 noted progress on the National Occupational Licensing Scheme reform and agreed to a request for additional state-based consultation on the final Decision Regulatory Impact Statements, approved by the Commonwealth Office of Best Practice Regulation, to better inform decision makers of stakeholder views.

All Governments recommitted to work towards a final decision on the reform by the end of 2013, which will take into consideration the outcomes of the further state-based consultations, with national licensing to commence in 2014. NSW Fair Trading has been tasked with managing the consultation process in New South Wales.

Key performance indicators

Key performance indicators	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 target
Public knows where to get Fair Trading help[1]	62%	61%	56%	53%	95%	65%
Consumers confident in fair operation of marketplace	74%	75%	72%	76%	88%	68%
Complaints finalised within 30 days	93%	92%	90%	90%	86%	85%
Telephone enquires answered within guarantee of service	99%	98%	90%	91%	90%	90%
Proportion of prosecutions successful	96%	90%	86%	96%	97%	≥90%

1. Fair Trading recently reviewed the methodology for conducting this survey to better reflect changes in the community and use of new communications technology.

Strata review

The comprehensive review of the strata and community title laws continued during 2012/13. This was a joint project with Land and Property Information to examine all the laws regarding the development and management of strata and community schemes. Following an online consultation forum that ended in February 2012, a discussion paper, *Making NSW No. 1 Again: Shaping Future Communities*, was released for public comment in September 2012.

More than 1,900 submissions were received in response to the paper. Together with the 1,230 comments made to the online forum, this was easily the largest consultation project so far undertaken by NSW Fair Trading. The next steps in the review will involve the release of a position paper later in 2013 setting out the Government's reform proposals, followed by the development of legislation.

3.5 Government Services and Policy

Government Services and Policy (GS&P) division was formed on 27 May 2013, amalgamating the former Government Services division and two business units of the disbanded Policy and Executive Services division.

The main rationale for establishing GS&P was to more closely align the operational functions with whole-of-government strategic policy functions.

The division comprises six business units, and one statutory authority. These include Strategic Policy, New South Wales Procurement (NSWP), Information and Communications Technology (ICT) Strategic Delivery, ServiceFirst, StateFleet, Metropolitan Water Directorate, and the State Records Authority of NSW. The State Records Authority produces its own annual report and its information is not included here.

Strategic Policy

Strategic Policy leads whole-of-government policy development and support in the areas of information and communications technology (ICT), procurement, construction and shared services. Whole of DFS policy issues and policy coordination across DFS, including the cabinet liaison role, are managed within Strategic Policy.

Strategic Policy achievements:

- Implementation of the NSW Government ICT Strategy began in May 2012, and more than 30 actions are complete. Achievements include a NSW Government Open Government Plan, Social Media Policy and Guidelines, Digital Information Security Policy, and upgraded Government data and information websites at openGov.nsw.gov.au, and data.nsw.gov.au. Further information is provided below and the full strategy document is available for download at www.finance.nsw.gov.au/ict
- Reforms to procurement policy including development and implementation of the NSW Procurement Reform Strategic Directions Statement to reduce red tape, improve competition and simplify access to Government business for the supply community, especially small and medium enterprises and regional businesses. Refer to the NSW Procurement Board report in the DFS related entities reports and other reporting requirements section of this report.

Whole-of-government ICT strategy

The NSW Government ICT Strategy launched in May 2012 contains: 85 actions to improve service delivery and achieve better value investment in Government ICT. The actions span seven priority initiatives:

- Service NSW
- Open Government
- Open Data
- Infrastructure and Managed Services
- Procurement Reform
- Managing Information for Better Services
- ICT Skills and Innovation.

Key actions completed in 2012/13:

- A whole-of -government Open Government Plan was published, requiring Government to increase online access to Government information and services
- The OpenGov.nsw.gov.au and Data.nsw.gov.au websites were significantly enhanced to provide better access to Government information and data
- A Cloud Pilot project was launched to test the cost effectiveness, security and efficiency of multiple-cloud based systems across different scenarios and environments
- Agencies commenced implementation of the new Digital Information Security Policy.

DFS is facilitating implementation of the strategy, overseen by the ICT Board, the ICT Leadership Group and the industry ICT Advisory Panel.

NSW Procurement

NSW Procurement plays a leading role in ensuring that the NSW Government procurement system delivers value for money, is aligned with business needs, leads to service delivery improvement and supports a competitive and innovative NSW economy. In 2012/13, NSW Procurement managed 69 whole-of-government arrangements and assisted with 45 agency specific contracts. Total expenditure under whole-of-government arrangements in 2012/13 was $3.835 billion.

In 2012/13, NSW Procurement converted four whole-of-government panel contracts to open, flexible prequalification schemes, in line with the NSW Government's objectives to reduce red-tape and make it easier for industry to do business with Government. These are for contingent labour, ICT services,

motor vehicles and financial assessment services. There are currently 710 suppliers on these four prequalification schemes, compared to 281 on the panels they have replaced. Of the 710 prequalified suppliers, 81% are small to medium enterprises.

In 2012/13, NSW Procurement also launched two significant platforms – the ProcurePoint website, www.procurepoint.nsw.gov.au, and the NSWBuy suite of eProcurement solutions.

ProcurePoint is a one-stop-shop providing easy access to Government procurement information for buyers and suppliers. One section of the site is dedicated to small to medium enterprises.

The NSWBuy suite is made up of the business-to-business (B2B) Hub, eCatalogues and eQuote. In 2012/13, 953,958 transactions worth over $4 billion went through the NSWBuy B2B Hub. In 2012/13 there were 118,390 visits to NSWBuy eCatalogues, an improved online catalogue facility for searching, comparing and purchasing goods and services available on NSW Government supply arrangements. eQuote allows for simple quick quoting under prequalification schemes, automating processes and fostering greater competition. eQuote currently supports the Prequalification Scheme: Performance and Management Services, the Prequalification Scheme: Contingent Workforce, and the ICT Services Scheme.

NSW Procurement also manages the Procurement System for Construction. In 2012/13, Government agencies used the system to procure construction projects worth $984 million, representing $99 million in savings for Government.

Expenditure through whole-of-government contracts and schemes

In 2012/13, expenditure by Government agencies and other eligible customers through whole-of-government contracts and schemes totalled $3.835 billion. The table below sets out the expenditure through whole-of-government arrangements over the last six years:

	2007/08 actual	2008/09 actual	2009/10 actual	2010/11 actual	2011/12 actual	2012/13 target	2012/13 actual
Transactions through whole-of-government arrangements	$3.64 billion	$3.58 billion	$3.67 billion	$3.72 billion	$3.87 billion	$3.9 billion	$3.8 billion

The top 15 whole-of-government arrangements

The top fifteen whole-of-government arrangements in terms of expenditure total $3.1 billion in 2012/13, representing 81% of the total expenditure of $3.8 billion.

Rank	Contract no.	Contract name	$ Spend
1	100	Contingent Workforce	609,534,010
2	653	Acquisition of Motor Vehicle, Pre-qualification Scheme	466,346,205
3	2360	Government Telecomm Agreement	370,935,468
4	Various	Cleaning Contracts, Whole-of-government (combined)	317,770,212
5	777	Electricity - Large Sites	306,323,507
6	370	Supply of Card Fuel & Associated Services for NSW Government & Participating Jurisdictions (QLD & ACT)	209,371,359
7	SCM0020	ICT Services, Pre-Qualification Scheme	122,458,835
8	902	Pharmaceuticals	113,321,721
9	2007A	Personal Computers (Cat 1,2,4,5,6,7)	110,076,058

Rank	Contract no.	Contract name	$ Spend
10	1006	Workplace Supplies - LOT 1-8	102,023,460
11	801	Food Services	97,302,028
12	366	Fuel and associated products	83,311,825
13	Various	Facilities maintenance contracts, WoG (combined)	81,079,294
14	1008	Travel Management Services	59,316,216
15	777A	Electricity - Large Sites for Non-Government Customers	58,988,142
		Sub-total	3,108,158,340

*The list is provisional. As more of the outstanding spend data is received from suppliers, this ranking may change.

Whole-of-government arrangements commenced in 2012/13

No.	Name	Start date
1	Short Term Rental of Motor Vehicles	1 July 2012
2	Imaging Devices	14 August 2012
3	Industrial, Construction & Electrical Hardware	1 October 2012
4	Bulk Fuel to NSW Government	1 January 2013
5	Floor Coverings, Window Furnishings and Fabric Wall Linings	14 January 2013
6	Removal of Deceased Persons	1 February 2013
7	Burial and Cremation of Deceased Persons without Means	1 February 2013
8	Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members	5 February 2013
9	ICT Services Scheme	1 March 2013
10	Prequalification Scheme: Contingent Workforce	5 March 2013
11	Prequalification Scheme: Financial Assessment Services	20 March 2013
12	Food Services	1 April 2013
13	Prequalification Scheme: Motor Vehicles	1 April 2013
14	Non SES Salary Packaging	1 April 2013
15	ITS 2573: Operational Telecommunications Equipment, Infrastructure and Services	1 May 2013
16	ICT Software Agreement	1 June 2013
17	ICT Hardware Agreement	21 June 2013

ICT Strategic Delivery

ICT Strategic Delivery manages and executes whole-of-government strategic ICT projects and services.

The business area is charged with:

- Implementing large scale infrastructure projects such as the Government data centres and establishing an on-premises marketplace of industry providers
- Developing and operating the Government Licensing System and aligning its platform to support Service NSW
- Coordinating whole-of-sector corporate and shared services standards and providing project delivery support to agency clusters.

ICT Strategic Delivery worked closely with ICT Strategic Policy to deliver key ICT infrastructure and services in support of the Government ICT Strategy 2013.

Corporate and Shared Services Reform Program

The whole-of-government corporate and shared services program is a strategic sector-wide reform initiative designed to help departments more quickly consolidate, simplify and standardise their corporate support functions to reduce operating costs without compromising services.

In 2012 the Program developed a set of best practice process standards (across human resources, finance and procurement) to minimise duplication and to assist departments to implement reforms. The Program also delivered benchmarking data that provided baseline information on the efficiency of departments' corporate operations for these processes.

Since the beginning of 2013, the Program has focused on deployment, adoption and implementation of the Standards. It supported departments with their corporate reform work and their Enterprise Resource Planning (ERP) delivery programs.

Data Centre Reform Program

The Data Centre Reform project will consolidate more than 130 data centres into two reliable and efficient data centres. During 2012/13 Metronode built the data centres the Government will occupy. The Silverwater data centre was officially opened in July 2013 and the Unanderra data centre will open in August 2013.

As well as hosting agency infrastructure, the data centres will provide managed services from the "data centre marketplace". Private vendors will rent space in the data centres and provide cloud services to agencies on site. This will encourage agencies to move to "as a Service" provision of ICT. In the first half of 2013, more than 60 organisations registered to provide these services.

OneGov Government Licensing Service

The OneGov Government Licensing Service (GLS) makes it easier for people to access services at a time and place that suits them. New services implemented in 2013 included: licensing schemes for tattoo parlours and small liquor bars, the security industry and gaming machine technicians, and licences and permits for Forest NSW. The GLS worked with Service NSW, to prepare for the opening of the first Government one-stop shop front on 1 July.

The number of licence records held by the GLS grew 12% (6.3 million) in 2012/13 to over 7.2 million. The increase in transaction value grew 13% from the 2011/12 figure of $160 million to over $180 million in 2013, with users increasing by 37% to 4,958. Customer satisfaction surveys for online users conducted throughout the year rated consistently high with 98% of customers 'satisfied' with the online service (approximately 105,000 respondents).

Due to high demand for services, including a 136% increase in use of mobile devices to access online services, the OneGov GLS platform will be upgraded in 2013/14.

ServiceFirst

ServiceFirst provides shared HR, ICT and finance services to DFS and clients including Premier and Cabinet, The Treasury, Public Service Commission and others.

In the first half of 2012/13 a major organisational restructure was completed to optimise the business model proportionate to the number of clients supported, ensure the best structures were in place to better service clients and realise operational cost savings within the business.

ServiceFirst continued to focus on improving the customer experience. In April 2013, the Contact Centre was launched as a single entry contact point for customers needing HR, finance, ICT and eWorkplace support. Significant planning and effort ensured the new and improved Service Partnership Agreements and Service Catalogue were available for client sign-off at the start of the 2013/14 year.

ServiceFirst introduced a procurement, vendor and contract management function which offered procurement and cost saving opportunities through six targeted procurement programs. Proofs of concept were launched for 'Messaging as a Service' (MaaS), 'Desktop as a Service' (DaaS) and the eWorkplace program. Improved vendor and contract management practices resulted in a significant rationalisation of vendors and contracts supporting ServiceFirst core business.

ServiceFirst is now positioned to provide customer-centric services with enhanced focus on increasing client satisfaction scores to 65%, in line with the Australian Government Average score for client engagement.

StateFleet

StateFleet provides fleet acquisition, management and disposal services on a commercial fee-for service basis, primarily to Government departments. The NSW Government fleet has approximately 28,000 vehicles leased or owned by departments.

SmartPool, an online booking system, streamlined the process of booking a pool vehicle for many NSW Government departments. As at 30 June 2012, there were more 9,000 NSW Government vehicles available for booking in SmartPool.

Service group	Measure	2011/12 target	2011/12 actual	2012/13 target	2012/13 actual	2013/14 target
StateFleet	Manage motor vehicle clearance rates at initial auction between 70% to 80%	70%-80%	78.5%	70%-80%	81%	70-80%

Metropolitan Water Directorate

The Metropolitan Water Directorate (MWD) leads a whole-of-government approach to water planning for greater Sydney and the Lower Hunter; provides policy advice on water industry competition and reform; delivers recycling funding and support; and implements the Water for Life education and engagement program.

In 2012/13, MWD undertook work on the first phase of the review of the NSW Government's 2010 Metropolitan Water Plan. This plan outlines the mix of measures that ensure Sydney, the Illawarra and the Blue Mountains have enough water now and for the future. The four key elements of the plan that ensure water security for the region are: water from dams, recycling and water efficiency measures that reduce demand on drinking water supplies, and water from the desalination plant. The review also incorporates assessment of potential options for environmental flow releases from Warragamba Dam.

The review will ensure that Sydney's water supplies are sufficient to respond to challenges such as our highly variable climate, droughts, potential impacts of climate change and a growing population. The review will take account of the latest data, techniques and research. An extensive range of social and technical research and investigative studies were undertaken as part of the first phase of the review of the plan during 2012/13. The first of a series of community and stakeholder consultation workshops was held in June, with more workshops planned in 2013/14.

Work also continued throughout the financial year on the Warragamba Dam Environmental Flows Options Assessment Project. This project, a multi-agency effort led by MWD, is investigating whether the further release of water into the Hawkesbury-Nepean River from Warragamba Dam could help maintain or improve the river's health. It is analysing different environmental flows from Warragamba Dam. The results of the analysis will inform the Government's decision on potential changes to environmental flows from the dam.

Throughout the year, work also progressed on developing the Lower Hunter Water Plan. The Hunter is the seventh largest urban area in Australia and one of NSW's major centres of economic activity. The objective of the Lower Hunter Water Plan is to provide water security during drought, and to ensure reliable drinking water supplies to meet the needs of the region's growing population and increased business and industry activity.

After a series of technical investigations and extensive community consultation, a shortlist of possible supply and demand measures has been developed for consideration as inclusions in the final mix of measures in the plan.

This key project is on track for completion of the draft plan in December 2013 for consideration by the NSW Government. The plan is being developed in close consultation with stakeholders and the community, including three series of workshops held in December 2012, February 2013 and April/May 2013.

The MWD is also currently leading a joint review of the *Water Industry Competition Act 2006* (WIC Act) and aspects of *Local Government Act 1993* that relate to water recycling regulation in New South Wales. Throughout 2012/13, MWD engaged with key stakeholders to identify areas of reform. A discussion paper on a range of issues was developed and circulated in late 2012, followed by a series of workshops in regional and metropolitan centres. Work will continue through 2013/14 to further develop potential options for reform.

In addition to the community engagement and social research activities in support of the review of the Metropolitan Water Plan, the MWD Water for Life Education and Engagement team continued to deliver a range of key outcomes through 2012/13. These included: Advancing Sustainability Leaders – a program to support sustainability and leadership capacity across local councils undertaking water projects in greater Sydney and the catchments; and Community Engagement Training for Water Engineers – a capacity building initiative to enhance the ability of water engineers in local Government to integrate education and engagement into their water recycling infrastructure projects.

Water for Life also conducted a one day water education event. Showcase 2012, a mix of workshops, presentations and group activities, was attended by more than 60 water educators and water industry professionals

The Water Recycling and Stormwater Harvesting Program (Program) administered by MWD, concluded at the end of 2012/13. The Program provided funding support to recycled water suppliers, and distributors to help them develop localised recycling and stormwater harvesting schemes.

The Program helped fund a range of recycling projects at various locations including, Ku-ring-gai, Pennant Hills, Bondi Beach, Wollongong, Woollahra, Randwick and the Blue Mountains.

Key performance indicators]

Key performance indicators	2008/09 actual	2009/10 actual	2010/11 actual	2011/12 actual	2012/13 target	2012/13 actual	2013/14 target
ServiceFirst customer engagement and advocacy[1]	-	-	-	52%	65%	Due Nov 2013	
Government contracts[2]	-	$3,675M	$3,726M	$3,870M	$3,900M	$3,835M[3]	$3,600M
Procurement budget savings	-	-	-	$72M	$199M	$139M[4]	Note 4
Total capacity for recycled water in Sydney[5]	27	33	59	62	63	Note 6	

1. ServiceFirst previously measured 'Client satisfaction with shared corporate services'. During the year ServiceFirst adopted a completely different measure. These customer engagement and advocacy measures provide a fact-based understanding of how customers currently rate their experience when interacting with ServiceFirst. It takes into account all services offered by ServiceFirst across different client organisations in order to inform the development of strategic initiatives to drive positive service outcomes.
2. The department is no longer reporting on the result indicator 'Cost savings for Government agencies using NSW Procurement services' because this indicator has been superseded by the Government's commitment to $1.0 billion procurement savings in the four years to 2014/15.
3. Note: $3,835 million was the reported spend on NSW Government contracts for the 2012/13 financial year.
4. The current procurement budget saving of $139 million for 2012/13 is part of the overall allocation by the Expenditure Review Committee of Cabinet (ERC) of the $1.05 billion procurement savings target by 2014/15 across NSW Government departments. Where NSW Procurement identified a significant position of these savings, the balance was allocated to agencies, however it is not accountable for delivery.
5. As a result of Sydney Water changing the way it reports under its Operating Licence, the data underpinning the 145 billion litre water efficiency target will no longer be collected. Further updates on progress towards this target can thus no longer be produced.
6. Industry practice is to report system capacity in recycling rather than actual use, which may vary with business activity and climatic conditions. The 70 billion litres target was for system capacity – actual use each year cannot be accurately forecast.

3.6 Office of State Revenue

Value for money

In 2012/13, Office of State Revenue (OSR) collected more than $19 billion in revenue, including $7.8 billion in payroll tax, $6.1 billion in duties, $2.4 billion in land tax and $384 million in Crown fines.

OSR continued to achieve budgeted savings and revenue targets in 2012/13.

Key contributing projects were:

- Debt Partnership initiatives ($21.9 million in additional fines revenue)
- Automation projects ($3.5 million in budget savings)
- Increase enforcement fees ($5.5 million in additional fines revenue)
- Duties Unique ID project ($1.5 million in processing efficiency savings).

OSR improved the cost-effectiveness of service through a number of initiatives:

- SMS notification reminders for overdue Time to Pay arrangements for overdue fines
- EFT/BPay payment options for duties assessments in readiness for the national e-conveyancing system (PEXA)

- Reduced workers compensation claims costs by 70 per cent.

Reduce overdue debt

In 2012/13, OSR built upon its strategy to centralise debt management functions by significantly improving debt collections. OSR achieved this by:

- Using private sector debt collectors to recover $24.5 million in overdue Crown fines and negotiated payment arrangements worth a further $19.9 million
- Implementing reforms to reduce overdue fines debt, resulting in an average of $1 million being recovered each business day, an increase of 33%
- Increasing garnishee orders for fines debtors from 7,000 to 24,000 per month, through improved systems and arrangements with banks
- Using legal action to collect $55.3 million of tax debt.

OSR began work to collect debt on behalf of other NSW Government agencies, including NSW Ambulance and NSW Sheriff's Office, to improve whole-of-government debt management and rebuild State finances.

Effective compliance

OSR identified $293 million in additional tax revenue from compliance activities. These were identified from businesses with potential liabilities, clients who did not comply with their State revenue obligations and recipients of first home benefits who did not meet their eligibility requirements.

OSR identified more than $38 million in additional revenue in land holder compliance activities and more than $10.9 million in additional payroll tax revenue by monitoring phoenix activities of directors whose companies are in liquidation. OSR gained additional funding and recruited additional staff for 'Expand Tax Compliance', a four-year program (from 2013/14) to undertake additional compliance initiatives.

In 2012/13, OSR successfully defended more than 85% of cases referred by taxpayers to the Administrative Decisions Tribunal or Courts. The division also conducted prosecutions for 125 matters concerning false nominations and fail to nominate fines and 25 matters for fraudulent tax and benefit claims.

The division worked with the Behavioural Insights (BI) Team in the Department of Premier and Cabinet, including a representative from the UK Cabinet Office. OSR applied BI approaches to some of our correspondence for land tax, fines penalty notices and enforcement orders. Initial results were encouraging, with trials showing an increase in clients who paid on time.

Quality client service

In 2012/13, OSR had a range of initiatives to improve its services and successfully:

- Implemented a credit card payment option for fines via the Client Contact Centre
- Expanded images of fines that clients were able to view on OSR's website, including evidence offences captured on electronic devices.

OSR delivered on its role as an efficient and effective administrator by:

- Implementing the Jobs Action Plan Payroll Tax Rebate Scheme, resulting in more than 4,500 rebates
- Issuing more than 260 private rulings and advice on complex tax technical matters
- Responding to more than 106 applications for access to information under the *Government Information (Public Access) Act 2009*

- Finalising more than two million fines matters
- Enforcing more than one million fines matters
- Issuing more than 175,000 land tax assessments
- Responding to more than 1.1 million fine related calls and more than 200,000 tax related calls
- Paying more than 36,000 grant applications.

As part of our commitment to improving client service, OSR conducted a number of client satisfaction surveys across core business. The surveys were designed to measure client's ease of access to information, timely resolution to queries and the quality of OSR client service.

In 2012/13 OSR conducted three client satisfaction surveys. These indicated that:

- 88% were 'generally satisfied' with the services OSR provided
- 86% were positive about the courtesy and professionalism of OSR staff
- 85% agreed that information received from OSR was consistent.

OSR also surveyed clients who use our advocate services (including advocacy hotlines, outreach services and information sessions) to act on behalf of vulnerable members of society. In particular, 99% of respondents were satisfied with their experience using the dedicated Advocate hotline phone service and 98% of respondents were satisfied with the level of service they received when calling the hotline.

Furthermore, 100% of respondents indicated that the staff they dealt with when using OSR advocate services were courteous and professional.

Key performance indicators

Key performance indicators	2012/13 target	2012/13 actual	2013/14 target
Cost to collect $100 tax	≤ $0.50	$ 0.46	≤ $0.49
Cost to administer $100 fines	≤ $13.12	$ 10.09	≤ $10.25
Cost to resolve $100 debt (Fines debt)	≤ $13.00	$11.49	≤ $13.00
Percentage of payments received electronically (tax)	≥ 90%	91%	≥ 90%
Percentage of fines finalised within a year	≥ 80%	80%	≥ 80%
Percentage of returns received on time from monthly lodgers	≥ 95%	96%	≥ 95%
Client Satisfaction Survey - Satisfied with OSR services	≥ 85%	88%	≥ 86%
Collectable debt as a percentage of revenue collected (tax)	≤ 1.50%	1.30%	≤ 1.50%

3.7 Land and Property Information

Land and Property Information (LPI) division provides foundation land and property information for New South Wales. 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 title registration services

Land title registration services are carried out by LPI 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.

This year, the NSW property market started to show signs of a recovery resulting in a slight increase of 1.4% in the lodgement of dealings recording property transactions. While deposited plan lodgements decreased by 0.4% strata plan lodgements increased by 2% compared with the previous year. In 2012/13, 39,545 new lots were created; 23,248 from deposited plans and 16,297 from strata plans, an increase of 12.2% overall on 2011/12 results.

During 2012/13 a further 15,856 Old System, Crown and manual Torrens Title land parcels were converted to electronic titles held within the integrated titling system. 4,314 Lease Folios were also created.

Land and Property Information continued to improve access to property information by automating manual processes, converting hard copy records to electronic format and using integrated data, systems and processes to develop new electronic products and services.

Key performance highlights for 2012/13 included:

- The Electronic Conveyancing (Adoption of National Law) Act 2012 was passed by the NSW Parliament on 14 November 2012, a significant milestone in the development of National Electronic Conveyancing (NEC). The Act applies the Electronic Conveyancing National Law as a law in New South Wales. The Act and consequently the Law, commenced on 1 January 2013.
- On 31 October 2012, the Survey Control Information Management System Online (SCIMS Online) was launched. It gives users a faster and more efficient way to access and navigate property, cadastral and topographic information; satellite data; aerial photography and survey control data.
- LPI developed a new information management system capable of processing digital plan information. The Digital Plan Lodgement and Processing System includes a service to facilitate lodgement of plans in LandXML (LXML) format, the most significant enhancement to LPI's plan lodgement and registration service since the lodgement of plan TIFF images for registration was introduced in 2001. The first LXML lodgement through LPI's ePlan lodgement portal was made in September 2012. The service will result in substantial enhancement to the quality of lodged plan data. LPI continued its planning to ensure the ongoing development of its land titling expertise with plans to recruit trainee titling officers in early July 2013.

Spatial data

One of Land and Property Information's major roles is to develop, maintain and enhance spatial infrastructure to support other Government agencies, emergency service organisations, industry and the community. In 2012/13, 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.

Key performance highlights for 2012/13:

- Supported the imagery and elevation requirements of the State emergency sector, Office of Environment and Heritage and local government in flood and fire monitoring, risk management and recovery operations
- Constructed 30 additional (131 in total) continuously operating reference stations (CORsnet_NSW) to provide real time access to sub-metre accurate positioning data for 98% of the populated area of NSW
- Upgraded the spatial accuracy of digital property boundaries over thirty local government areas to meet planning and infrastructure development needs
- Updated topographic data with a focus on points of interest and the State roads network including the national Alphanumeric Route Marking (MAB) system to support map production, navigation and spatial enquiry services
- The division also continued to collaborate with State, Federal and Local Government to develop the NSW Comprehensive Property Addressing System (CPAS), a single source of truth for addressing information in NSW underpinned by streamlined processes, policies and systems
- Completed the 'Addressing Practices in NSW' research study. Seventy-three per cent of local governments in NSW responded to this study. The study informed the:
  - Development of the new *NSW Road Naming Policy* which is undergoing a final review by the Geographical Names Board and will be released in October 2013
  - Development of the NSW policy for addressing which has been released in draft for comment
  - Requirements for the NSW Online Road Naming System. This system streamlines the road naming process and has transformed a manual paper based system to an online interactive system. The system was successfully released to Local Government in August 2013
- A notification and edit service, which caters for points of interest, address and address attribution notifications, is currently being tested by the NSW Rural Fire Service. This system is scheduled for release in early October 2013.

Valuation services

The Valuer-General engages Land and Property Information to deliver valuation services to the community under a Service Level Agreement (SLA). Valuation Services continued to implement strategies aimed at improving the quality of land value determinations in New South Wales. LPI successfully entered its second year of the complex land value improvement program which prioritised properties at greatest risk of valuation error due to property and valuation complexity. By committing more resources to high risk properties the program ensured quality assurance was optimised and more information and better technical guidance notes were available.

Key performance indicators

Key performance indicators	2008/09 actual	2009/10 actual	2010/11 actual	2011/12 actual	2012/13 target	2012/13 actual	2013/14 target
Total valuations completed	2.417M	2.429M	2.442M	2.455M	2.463M	2.471M	2.489M
Documents lodged	730,000	781,000	719,000	722,243	805,559	739,002	750,703
Plans lodged	10,192	9,776	9,948	8,833	10,000	9,186	10,500

Key performance indicators	2008/09 actual	2009/10 actual	2010/11 actual	2011/12 actual	2012/13 target	2012/13 actual	2013/14 target
Property information copies produced	4.064M	4.169M	4.109M	4.098M	4.200M	4.046M	4.161M

3.8 Corporate Services

Corporate Services continued to support DFS businesses with a range of corporate activities. The highlights for 2012/13 were:

Establishing the DFS Chief Procurement Officer

The role of the DFS Chief Procurement Officer (CPO) was fully embedded during 2012/13, following its creation in May 2012. The CPO's key achievements during this period were the delivery of the 2012/13 procurement savings target and identification of future savings opportunities; as well as the development and implementation of three key strategic policy documents, the DFS Procurement Strategy, DFS Procurement Manual and DFS Procurement Management Plan.

Key governance activities planned for 2013/14 include a training program for staff, as well as the development of performance reporting and monitoring of procurement compliance.

DFS accreditation

During 2012/13, DFS gained accreditation to the 2C level under the Agency Accreditation Scheme for Goods and Services Procurement. As part of the accreditation assessment key systems and processes were reviewed and the department's procurement capability was thoroughly examined. Accreditation enables DFS to fulfil its procurement needs now and in the future.

Corporate Operating Model

The Corporate Operating Model (COM) program focused its efforts during 2012/13 on developing a corporate support service operating model that will be ready to implement throughout DFS during 2013/14. The operating model is designed to offer expertise from the centre while supporting locally delivered services at a divisional level. To achieve this goal, the COM program redesigned corporate service organisation structures and processes. It also developed a service management framework to underpin the delivery of corporate services across the cluster that better reflect internal customer requirements.

During the redesign phase, DFS also achieved corporate and shared service savings of $12.4 million for 2012/13 with a further $8.2 million targeted for achievement during 2013/14.

Development and implementation of the DFS ICT Strategy 2013-15

The DFS ICT Strategy was introduced, setting the direction for ICT in DFS to 2015. This strategy is a key component of the department's governance framework for technology and investment. It aligns with the NSW ICT Strategy and, in turn, provides the foundation for all divisions' business application plans.

Whole-of-government Digital Information Security Policy

The Office of the Chief Information Officer (CIO) played a lead role in developing the whole-of-government Digital Information Security Policy. As chair of the working party the CIO was able to engage across the sector and with industry to develop the policy which outlines the digital information security requirements for the NSW public sector. It details requirements such as Information Security

Management System (ISMS), certification, attestation and the establishment of the Digital Information Security Community of Practice.

Enterprise portfolio management framework

During the year the Enterprise Portfolio Management Office (EPMO) was established to provide a strategic, enterprise-wide view of major projects and programs that align with DFS corporate plan objectives and reflect the Government's commitments and priorities for the agency. In addition, the CIO developed the Project Management Office in the Office of the CIO and adopted Prince 2, a project management methodology, to help ensure efficient and successful delivery of projects.

Savings roadmapping program

The EPMO also managed the department's savings roadmapping program ensuring that sound strategies were applied to satisfy the required savings targets over the 2012/13 financial year and up to 2017. The successful delivery of the program is subject to monitoring and reporting against agreed performance indicators based on approved sustainable savings roadmaps. Reporting on savings target achievements included labour expense cap, accommodation, procurement and technology.

Machinery of Government changes

The EPMO ensures compliance with the Administrative Changes Orders that reflect the Government’s decision to change an agency’s administrative responsibilities. During the year the EPMO coordinated the transfer of NSW Industrial Relations and the Long Service Corporation to NSW Treasury.

The DFS People Matter survey results

The Public Service Commission conducted the inaugural People Matter survey across the NSW public sector in late 2012. This survey gave all public sector employees an opportunity to have their say about their perceptions of values and the workplace culture within their organisation. DFS results showed that it had performed strongly in many areas. The engagement index for DFS was 64%, which was slightly higher than the sector average of 61%. In almost all survey questions, the DFS results were more positive than the sector average, although there was still room for significant improvement in a number of areas.

As a result of working with staff to understand survey outcomes and ways to identify local priorities and action plans, branch level actions plans were put in place. In some instances, management teams are using the People Matter survey results to update existing engagement or communication action plans.

ServiceNSW

Corporate Services supported ServiceNSW in the design of their new customer service centres.

Aboriginal Workforce Strategy

The inaugural DFS-wide Aboriginal Workforce Strategy (AWS) was developed during 2012/13 and officially launched in June 2013. The strategy will help all DFS divisions meet the NSW Government benchmark for Aboriginal employment target of 2.6% by 2015. (see Appendix 8.9 Employment relations policies and practices for more information)

Creation of Ministerial Services and Corporate Affairs unit

Ministerial Services and Corporate Affairs was formed in January 2013, bringing together the former Ministerial and Executive Services unit, and the former Public Affairs and Strategic Communications units.

The Ministerial Services unit coordinates and responds to requests for briefings and correspondence about the department's business and activities. In 2012/13, the unit processed more than 4,800 briefings and items of correspondence on behalf of the Office of the Minister, the Office of the Director General, DFS divisions and agencies, and external stakeholders including consumers, business and community organisations.

Bringing together the Public Affairs and Strategic Communications units delivered operational efficiencies, harnessed synergies within the groups and provided the framework for a more strategic approach to the provision of internal and external communications services.

Corporate Affairs provides multi-media support to internal and external clients. It includes creating and maintaining online content for DFS Intranet and Internet sites, design and publishing of reports, marketing advice, and providing media releases and statements to external media organisations.

Projects included communications support for the updated whole-of-government ICT strategy, the inquiry into construction industry insolvency and review of the Just Terms Compensation legislation, and the department's contribution to the Towards a Strategic Centre initiative and Workplace Giving program.

The 2012/13 DFS annual report was produced by the Corporate Affairs unit.

Establishment of the DFS risk network

During 2012/13, Organisational Performance and Risk established a department-wide risk management network to provide a forum to develop and promote good risk management practice throughout DFS. The network has wide representation across the organisation and has established the groundwork for a growing community of practice in this field.

Performance reporting

Substantial progress was made in the development of a business intelligence system that will automate data driven corporate key performance indicators including online reporting of divisional performance indicators. The business intelligence system is scheduled to go live in September 2013.

Change management operating model

DFS implemented an organisational change management operating model that defined and embedded the roles, responsibilities, actions and tools to deliver change and reform projects. The model is building organisational change management capability in DFS' managers and leaders, and its key projects.

Launch of the People Strategy

The DFS People Strategy 2013-2015 was launched to all staff in June 2013. The Strategy supports and develops our people in three key areas: engaging talent, building capability and effectively managing people. Its objective is to mobilise DFS' people to deliver on the DFS Corporate Plan.

Completion of risk maturity assessment

In February 2013, DFS undertook an independent review of its enterprise risk management processes to ascertain the current level of maturity of process and to inform a risk management improvement plan. The review identified many areas of good practice across the department as well as areas that

should be targeted for improvement. A risk management improvement plan is currently being developed and will be monitored by the cluster audit and risk committees.

Business continuity plans

Substantial progress was made to improve the department's business continuity plans throughout 2012/13. Refreshed business impact assessments identified critical business processes and the people, locations and ICT dependencies. This is an important project which will develop organisation resilience and ensure that the department can quickly recover its most critical services in any adverse event and minimise disruption to the community and our clients. It will conclude in late 2013.

3.9 Office of the Director General

The Office of the Director General was established as a division of the Department of Finance and Services (DFS) on 27 May 2013. The Office of the Director General provides support to the Director General and is comprised of the:

- Office of the General Counsel, which comprises DFS Legal and Fair Trading Legal
- Internal Audit Unit.

Prior to the establishment of the Office of the Director General, the Office of the General Counsel and the Internal Audit Unit were part of the department's Policy and Executive Services Division.

Some of the highlights for the Office of the Director General's units during the 2012/13 financial year are set out below.

Office of the General Counsel – DFS Legal

Released the Just Terms Compensation Legislation Review Consultation Paper

During 2012 the Government appointed David Russell SC to undertake a review of the State's just terms compensation legislation, in particular as it applies to real property rights. The Office of the General Counsel is providing support to Mr Russell during the review.

To initiate the review a call was made for interested parties to suggest issues for consideration. At the end of June 2013, a consultation paper was released for a six-week consultation period and a total of 32 submissions were received.

A number of the submissions focus on compensation procedures and timeframes and seek reform in this area. Others have raised issues in relation to the components of compensation, the role of the Valuer-General in the acquisition process and the "hardship test" currently provided for in the *Land Acquisition (Just Terms Compensation) Act 1991.*

Mr Russell SC is now preparing a report for the Government.

Finance and Services Cluster Governance Review

Cabinet endorsed the recommendation in the Commission of Audit Interim Report: Public Sector Management, 24 January 2012, that each of the nine clusters conducts a review of its governance arrangements.

Following a request from the Department of Premier and Cabinet, the department has provided an interim report in April 2013 and a final report in July 2013 to the Department of Premier and Cabinet on the composition of the cluster. The Office of the General Counsel undertook the review for the department. The reports contain detailed information about the 67 entities within the Finance and Services cluster, changes to be made and a discussion of further opportunities for rationalisation of entities within the cluster.

Successfully defended a multi-million dollar claim for alleged design defects

The Office of the General Counsel has had the oversight and conduct together with the law firm Clayton Utz, of the litigation involving a claim brought by CH2M Hill Australia Pty Ltd against the State of New South Wales (the former Department of Commerce). Clayton Utz Solicitors were engaged to prepare the State's defence.

Sydney Water Corporation engaged CHBM Water, a private sector joint venturer, to design and construct an upgrade of the West Camden Sewage Treatment Plant. In 2005, the contractor engaged NSW Public Works (as part of the former Department of Commerce), to perform some design-related services for the tanks and basins.

A number of defects arose during the construction and the partially completed works were damaged by stormwater after heavy rain in February 2007. CHBM Water decided to demolish and reconstruct the damaged structures. On 23 December 2009, CH2M Hill Australia, one of the joint venturers in CHBM Water, commenced proceedings against the State in the Supreme Court for about $23M plus costs. They claimed that the damage and the need to reconstruct were caused by defects in the design work undertaken by NSW Public Works.

On 24 August 2012 Justice McDougall dismissed CH2M Hill's proceedings and ordered that it pay the State's costs. He found that the design by NSW Public Works was not deficient, and the failures were caused by deficiencies in CH2M Hill's construction obligations.

Provided effective legal support to ensure protection of the position of the State's interest in the data centres as a result of the sale of Metronode (NSW) Pty Ltd

In June 2012 the State entered into a contractual arrangement with Metronode (NSW) Pty Ltd for it to finance, design, construct, commission, maintain, operate and own as well as provide the Government with access to data centres. Later in 2012, Leighton Holdings Limited (Metronode's parent company) announced it was considering the potential sale of its telecommunications assets, including Metronode. The Office of the General Counsel has been responsible for the provision of effective legal support to ensure protection of the State's interests.

Office of the General Counsel - Fair Trading Legal

During 2012/13, Fair Trading Legal:

- Completed a restructure to streamline the provision of legal services to NSW Fair Trading. The focus is on better service delivery to Fair Trading operations within a consultative framework
- Prosecuted a number of real estate agents and businesses under newly-amended Property, Stock and Business Agents legislation, demonstrating that trust account fraud has the potential to lead to custodial sentences in the Local Court where appropriate.
- Utilised injunctive powers in the Supreme Court to restrain traders and individuals from illegal activities that would result in consumer detriment in New South Wales.

Other significant cases handled by Fair Trading are set out in Appendix 8.18 Significant judicial decisions, under the heading 'NSW Fair Trading

Internal Audit Unit

During 2012/13, the Department of Finance and Services' Internal Audit Unit:

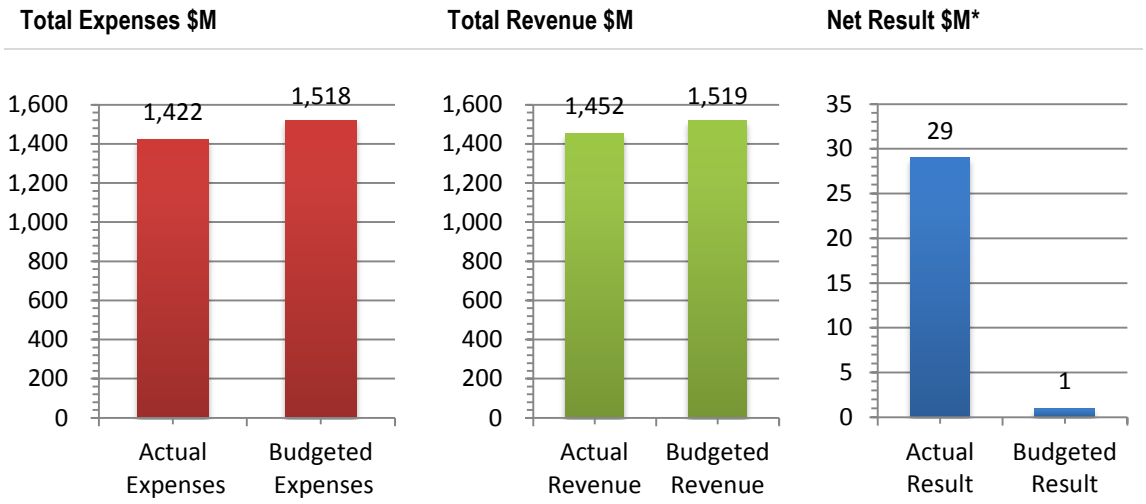
- Was independently assessed as generally conforming to the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing. This assessment is required to be performed by TPP09-05 at least every five years

- Completed a risk based program of work, approved by the Audit and Risk Committee and the Director General, focused on the review of compliance, efficiency, and effectiveness of priority programs and processes and the adequacy of internal controls
- Provided other services including investigations, managed the reporting of public interest disclosures and completed special projects at management request on matters such as procurement policy, conflict of interest issues, internal control improvements, and corruption prevention.

3.10 Financial highlights

Net result

The Department of Finance and Services net deficit for 2012/13 was $36 million compared to a budgeted surplus of $1 million, an unfavourable variance of $37 million. The negative variance is mainly attributed to an unbudgeted transfer of $65 million to the Crown Finance Entity as agreed with NSW Treasury. Excluding this transfer payment, the department's result would have been a surplus of $29 million, a favourable variance of $28 million. Overall the department reduced its expenditures by $106 million which fully offset revenue shortfall of $67 million and higher than budgeted losses on disposal / other losses of $11 million.



*Net result excluding the transfer to the Crown Funding Entity

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

- Lower than budgeted employees related expenses due to unfilled vacancies predominantly in the NSW Public Works, Land and Property Information, Office of State Revenue and NSW Procurement
- Grants and subsidies were lower than budget due to reduced expenditure on Community Service Obligations, payroll tax rebates and Government property grants.

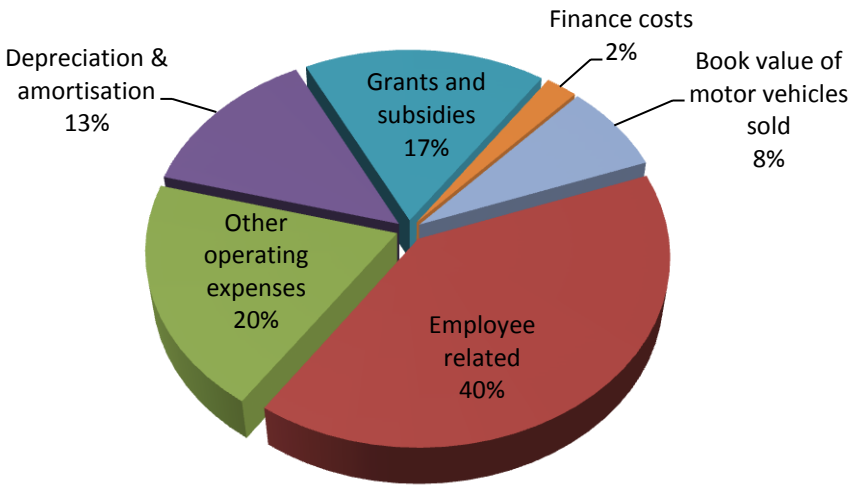
Reduction in revenue was largely due to:

- Lower than budgeted sale of goods and services mainly within NSW Public Works due to shortfall in Project Management Fees and Land and Property Information due to Land Title Fees shortfall mainly due to continuing subdued economic conditions.
- Lower appropriation received resulting from lower than budgeted demand for payroll tax rebates, property maintenance and community service obligation payments

- Lower investment revenue due to decrease in interest rates and lower cash balance than was originally forecasted.

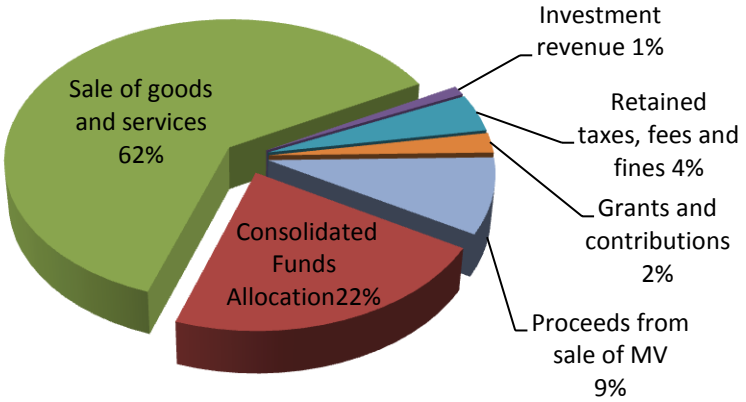
Expenses

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



Revenue

The following chart provides a breakdown of the department's revenue by major categories



Total equity

The department's total equity as at 30 June 2013 was $25 million. This was made up of total assets of $1,580 million, offset by total liabilities of $1,555 million. The total equity is represented by accumulated funds of $16 million, plus the asset revaluation reserve of $9 million.

The total equity of $25 million as at 30 June 2013 is an improvement of $163 million over the 30 June 2012 equity deficit of $138 million. This improvement was primarily due to actuarial gains in Defined Benefit Superannuation Schemes, offset by the net deficit for the year. The liability associated with Defined Benefits Superannuation Schemes is a long term liability. The department's equity before

including the superannuation liability of $563 million is accumulated funds and reserves of $588 million.

4. Corporate performance

4.1 Strategic priorities

An executive planning session was held in August 2012 to review the achievements to date and develop the department's three-year corporate plan with input from the Minister for Finance and Services and the Minister for Fair Trading.

The priorities were developed by considering the NSW Government's long-term plan, NSW 2021, together with a range of Government commitments and priorities for the Finance and Services cluster.

Strategic priorities

The Department of Finance and Services Corporate Plan 2012-2015 is the bridge between the Government's commitments and priorities including NSW 2021 and the suite of DFS business, service and corporate enabling plans. The DFS Executive identified five key objectives supported by 27 strategies that are aligned with the NSW 2021 goals. To ensure that organisational effort is focused and aligned to achieve the objectives and strategies DFS adopted an enterprise wide management approach based on a collaborative model to oversee all initiatives, projects, programs and reforms across the full extent of the DFS portfolio. In 2012 the department set up an Enterprise Portfolio Management Office to oversee the performance of major projects, initiatives and reforms aligned to the objectives of the Corporate Plan.

The five corporate objectives are:

Rebuild State finances

DFS is focused on achieving the savings targets of Government and working to improve the efficiency of its services. The department is in a sound position to deliver the required savings ($808 million over six years 2011 to 2017) based on proven strategies and milestones captured in approved savings roadmaps. Major progress was also made on procurement reform, whole-of-government debt management and a strategic review of State owned corporations.

Improve the use of capital and assets

The Property Asset Utilisation Task Force (PAUT) has set the strategic direction for improvements to asset management strategies across Government. DFS was focused on implementation of the PAUT recommendations for asset management, developing and implementing a long term strategy for public housing, improving the delivery of public works and maintenance programs and leading a whole-of-government approach to securing water supplies for Sydney and the lower Hunter.

Be an efficient and effective regulator

DFS made substantial progress in the area of red tape reduction targets. The purpose of the red tape reduction program is to reduce annual ongoing red tape cost to business and the community. DFS is making good progress towards achieving the target of $200 million by 30 June 2015.

Substantial progress was made in the legislative reform agenda for consumer protection including a review of the *Home Building Act 1989* and standard contracts for retirement villages. Major strategic initiatives are in progress to maintain an appropriate State superannuation regulatory regime.

Enable and deliver better public services

DFS provides a diverse range of services to the community, business and Government. Improving the efficiency and delivery of those services is a core focus of the DFS corporate plan. Strategic areas of focus are procurement reform, the ICT Strategy, corporate shared services reform, supporting the implementation of Service NSW through enabling IT systems and a range of DFS customer services from Fair Trading and the Office of State Revenue are now delivered by Service NSW staff.

Become a more agile and cohesive agency that leads reform

DFS plays an important and significant role in setting reform targets for the NSW public sector. DFS recognises the importance of leading by example and committed considerable effort to reform its own operations to ensure they are in line with the policy direction it sets for the sector. In 2012/13, DFS made substantial progress in the implementation of its corporate operating model and took a lead on ICT reform. It also achieved Level 2c procurement accreditation.

4.2 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 and corporate priorities.

The framework helps to improve accountability and transparency and support an achievement-focused organisation. The department's planning and performance framework includes the:

- Corporate Plan
- Total Asset Management Plan
- Strategic corporate functional plans to manage corporate services delivery, including the People Plan and the DFS ICT Strategic Plan
- Divisions develop an annual operational plan that details divisional goals, objectives 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
- Monitoring of senior executive services performance agreements
- NSW Government annual reporting requirements.

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

5. Corporate Governance

5.1 Governance principles and framework

The department has in place 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 met weekly during 2012/13. 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 key governance support initiatives were established in 2012/13 to provide additional oversight of corporate governance functions:

- Enterprise Program Management Office
- Data Evidence & Analysis Network (DEAN)
- DFS Risk Network
- DFS Innovation Working Group

Membership of the networks and the working group is made up of subject matter experts from divisions and entities within the department. The Executive team support these initiatives and are invited to attend meetings to present and discuss topics of interest.

5.2 Audit and compliance

Department of Finance and Services Audit and Risk Committee

During 2012/13 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 ten 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.

Internal audit

The Department of Finance and Services' Internal Audit Unit is an integral component of the governance framework through the review of compliance, efficiency, and effectiveness of priority programs and processes and the adequacy of internal controls.

The Internal Audit Unit was independently reviewed in 2012/13. This included certification to the Institute of Internal Auditors (IIA) external quality assurance standards, as required by IIA international standards and TPP09-05. The review found the Internal Audit Unit generally conforms to the IIA standards.

A risk-based Internal Audit Annual Work Plan for the Department of Finance and Services, which defined the program of work performed by the Internal Audit Unit during 2012/13, was endorsed by the Audit and Risk Committee and approved by the Director General. The progress on implementing the Annual Work Plan, results of audits completed and implementation status of audit recommendations were reported to the Audit and Risk Committee during the year.

The Internal Audit Unit also provided other services including conducting investigations arising from complaints, public interest disclosures, and matters referred by management, as well as undertaking special projects at management request on matters such as procurement policy, conflict of interest issues, internal control improvements, and corruption prevention.

External audit

During 2012/13, the Audit Office of NSW audited the financial statements of the Department of Finance and Services and issued the Statutory Audit Report on 20 September 2013. The following significant matters were identified:

- Cross City Tunnel: The audit report noted that there was uncertainty about whether the department (on behalf of the Crown) would be able to collect approximately $63.3 million (balance as at 30 June 2013) of land rich duty, penalty tax and interest charged to the owner of the Cross City Tunnel.
- Government Property Register: The audit report noted the limitations of the Government Property Register (GPR) in providing a complete and reliable record of all NSW Government property assets. Audit Office has advised that they will continue to monitor progress regarding this matter.

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

- Cross City Tunnel: On 9 August 2013, the Supreme Court decided in favour of the taxpayer. Since then, the Chief Commissioner has appealed the decision, the taxpayer entities have gone into administration and a receiver has been appointed. Management is continuing to monitor the matter. 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.

- Government Property Register: The department has developed a plan to transition functional operation of the GPR from Land and Property Information to Government Property NSW. An Executive Steering Committee has been established, including senior representatives from Government Property NSW, Land and Property Information, and Department of Finance and Services, to oversee the transition. The functional transition is expected to be completed during the last quarter of 2013/14. The Department of Finance and Services will continue to keep the Audit Office informed of the progress of the Government Property Register.

The 2012/13 Audit Report to Parliament is expected to be tabled in November 2013.

5.3 Accessing Department of Finance and Services information

Government Information (Public Access) Act 2009

The *Government Information (Public Access) Act 2009* (GIPA Act) encourages the NSW Government agencies to release information proactively, and provides individuals with easier access to Government and personal information held by Government agencies.

The proactive release of information by the Department of Finance and Services (DFS) is regularly reviewed and information is made available to the public, generally via the internet, but also through information sheets and media releases. Examples during 2012/13 include:

- Statistics on fines issued for mobile speed cameras and point to point cameras
- Statistics on duties revenue assessed for contracts and conveyances involving a land transfer
- Statistics on land tax revenue by Local Government areas in Sydney
- Online employer garnishee order self-service facility.

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* were revised and updated to reflect operational and legislative changes.

Statistical information relating to the GIPA Act is provided in Appendix 8.13. Government Information (Public Access) statistics.

Programs and activities

The structure and functions of DFS and how these functions affect the public are described in this annual report, and information about these can also be found on the website www.finance.nsw.gov.au.

Accessing the department's documents

Policies and publications can be accessed from the department website www.finance.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 (e.g. on an application form or by letter), accompanied by a $30 application fee and sent to the Right for Information Officers at the locations indicated below.

Processing access requests

The Right to Information Officers must acknowledge the request by acknowledging the application as a valid access application or notifying that it is not a valid access application, within five working days after the application is received. Decisions are normally made within 20 working days after the application is received. If the processing time has to be extended, applicants will be kept informed

about processing their application. The applicant may be required to clarify the request and sometimes a request may be referred to another agency if the other agency is known to hold the information, and the information is more closely related to the functions of that agency, or if the department does not hold the information and the other agency is known or reasonably expected to hold the information.

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, for instance, the applicant has rights of review and appeal and this information is disclosed with the decision. Reviews internally, by the Information and Privacy Commissioner and the Administrative Decisions Tribunal apply under the GIPA Act.

Charges for access

A $30 application fee is payable upon making a formal access application. 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. There is a 50% discount on the processing charge for financial hardship if the applicant provides evidence that they are the holder of a pensioner concession card issued by Commonwealth that is in force, a full time student, or a non-profit organisation, or where a special benefit to the public can be demonstrated.

Review of proactive release program

Under section 7(3) of the GIPA Act, agencies must review their programs to ensure proactive release of information, at least once every twelve months. Each DFS division undertakes regular reviews of information as it becomes available.

As a result of this review, the department proactively released information about programs and initiatives, updated answers to frequently asked questions based on community feedback, and provided statistical information about business operations.

Privacy and Personal Information Protection Act 1998

The *Privacy and Personal Information Protection Act 1998* sets out a number of information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. Those principles ensure that agencies collect personal information for lawful purposes, and that such information is protected from misuse and unauthorised release.

NSW Government agencies are required to prepare and implement a privacy management plan in accordance with section 33(1) of the *Privacy and Personal Information Protection Act 1998*. Following changes to the structure and functions of the Department of Finance and Services cluster during 2011/12, the department reviewed the privacy management plans of its business centres.

The Office of State Revenue continues to maintain its own privacy management plan, which specifies how it will protect access to its registers of personal information. NSW Fair Trading is covered by the DFS privacy management plan, and has special arrangements in place for the handling of some personal information that it holds in order to carry out its regulatory functions.

Access request applications under section 14 of the PPIP Act

In 2012/13, DFS received nine access applications by individuals requesting their personal information.

Applications for internal review of the conduct of Department of Finance and Services under section 53(1) of the PPIP Act

In 2012/13, DFS received two applications for internal reviews under the PPIP Act.

External review matters under the PPIP Act

There was one appeal to the Administrative Decisions Tribunal. As at 30 June 2013 this matter was not finalised.

Access fees and charges

Following the lead of the Office of State Revenue plan, DFS no longer charges privacy applicants for access to their own personal information.

Code of practice – NSW Fair Trading

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

Regulatory exemption – Land and Property Information

Land and Property Information (LPI) maintains a number of public registers on behalf of the Registrar-General, the Valuer-General and the Minister administering the *Water Management Act 2000*. Exemptions exist in relation to the public register provisions outlined at Part 6 of the PPIP Act.

LPI has statutory responsibilities to make certain information available from the public registers it maintains. LPI public registers which are exempt from the public register provisions of Part 6 of the PPIP Act, by virtue of clause 6 of the *Privacy and Personal Information Protection Regulation 2005*, are:

- The Torrens Title Register, kept under the *Real Property Act 1900*
- The Purchasers' Index, the Street Address Index and the Owners' Index that are kept in connection with the Torrens Title Register
- The Water Access Licence Register kept under section 71 of the *Water Management Act 2000*
- The General Register of Deeds, maintained under section 184C of the *Conveyancing Act 1919*
- Any index kept under section 198 of the *Conveyancing Act 1919*
- The Central Register of Restrictions maintained under Part 24 of the *Conveyancing Act 1919*
- The Register of Land Values kept under the *Valuation of Land Act 1916.*

Right to information officers

Members of the public and staff may refer enquiries regarding access to information in relation to either the GIPA Act or PPIP Act 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 7067

Fax: (02) 9372 7845

Email: gipa@finance.nsw.gov.au

NSW Fair Trading

PO Box 972

PARRAMATTA NSW 2124

Tel: (02) 9338 8979

Fax: (02) 9338 8970

Email: gipa@finance.nsw.gov.au

Land and Property Information

1 Prince Albert Road GPO Box 15

SYDNEY NSW 2000 Sydney NSW 2001

Tel: 1300 052 637

Email: gipa@finance.nsw.gov.au

Office of State Revenue

GPO Box 4042

SYDNEY NSW 2001

Tel: (02) 9689 6270

Email: rio@osr.nsw.gov.au

Privacy information for the Finance and Services cluster can be accessed via the www.finance.nsw.gov.au website, which provides links to the home pages of agencies including the Office of State Revenue, Fair Trading and State Records.

6. DFS related entities reports and other reporting requirements

Annual reports for related entities, and other reporting requirements, are included in this section:

- NSW Procurement Board report
- Waste Assets Management Corporation annual report
- Australian Centre for Advanced Computing And Communications Pty Ltd (ac3)
- Report of the Valuer-General
- Surveyor-General's report
- Registrar-General's report
- Geographical Names Board of NSW report

6.1 NSW Procurement Board

Legislation

On 1 July 2012 the *Public Sector Employment and Management Amendment (Procurement of Goods and Services) Act 2012* commenced. This Act established the Government's new procurement

arrangements by replacing Chapter 7 of the *Public Sector Employment and Management Amendment Act 2002* (the Act).

The legislation created the NSW Procurement Board as the agency established to oversee procurement across the NSW public sector, and to replace the State Contracts Control Board. The Board is subject to the direction and control of the Minister for Finance and Services in the exercise of its functions.

While the Procurement Board can issue directions to agencies regarding procurements or authorise them to carry out certain procurements, it does not have power to enter into contracts.

The Act allows agencies to manage and be responsible for their own procurement activities in accordance with accreditation issued by the Procurement Board. The legislation places obligations on agencies in relation to procurement activities, including to:

- Exercise procurement functions in accordance with the Board's policies and directions
- Adhere to the principles of probity and fairness
- Obtain value for money in the exercise of procurement functions
- Provide information on procurement functions to the Board as requested.

Board objectives and functions

The NSW Procurement Board's objectives are to:

- Develop and implement a Government-wide strategic approach to procurement
- Ensure best value for money in the procurement of goods and services by and for Government agencies
- Improve competition and facilitate access to Government procurement business by the private sector, especially by small and medium enterprises and regional enterprises
- Reduce administrative costs for Government agencies
- Simplify procurement processes while ensuring probity and fairness.

The NSW Procurement Board's functions include:

- Overseeing the procurement of goods and services by and for Government agencies
- Developing and implementing procurement policies
- Issuing directions to agencies
- Monitoring compliance by agencies with the requirements of Chapter 7 of the Act
- Dealing with complaints about the procurement activities of agencies
- Developing procurement and business intelligence systems for use by agencies
- Collecting, analysing and publishing data and statistics in relation to the procurement of goods and services by and for agencies.

Membership

The NSW Procurement Board consists of the Director General of the Department of Finance and Services (the Chairperson) and at least six Heads of the principal departments, determined by the Minister for Finance and Services.

In addition to the Director General of the Department of Finance and Services, the Minister for Finance and Services appointed the following Heads of principal departments to the NSW Procurement Board:

- Director General, Department of Premier and Cabinet

- Secretary, The Treasury
- Director General, Department of Attorney General and Justice
- Director General, Department of Education and Communities
- Director General, Department of Family and Community Services
- Director General, Ministry of Health
- Director General, Department of Trade and Investment
- Director General, Transport for NSW.

Meetings

The NSW Procurement Board held five meetings in 2012/13. The Board also considered matters out-of-session.

Administration

The NSW Procurement Board's administrative support and its costs were met by DFS and the agencies involved.

Strategic directions 2013/14

In November 2012 the NSW Procurement Board approved its Strategic Directions Statement 2013-2014, which represents the Board's work plan for 2013/14. It set six objectives, to:

- Provide for strategic and agile procurement practice by Government agencies
- Reduce red tape for agencies
- Establish procurement category management across Government
- Support agencies' procurement functions
- Engage with industry
- Encourage innovation.

Major activities in the Strategic Directions Statement 2013-2014 include:

- Developing a devolved and less rule-bound procurement system, with agencies being accredited to conduct their own procurement
- Simplified procurement contract templates
- Providing more guidance to agencies about what constitutes 'value for money' and how to assess and measure benefits, costs and risks of procurements
- A NSW Government competition-in-procurement policy
- New cross-agency groups to devise strategies for purchases across sectors, known as category plans
- New online tools for Government and suppliers
- Enhanced vocational and tertiary procurement capability programs for Government procurement officers.

As at 30 June 2013, 72% of the 78 action items in the Strategic Directions Statement 2013-2014 were complete and the remainder were underway.

The Statement is available from the ProcurePoint website www.procurepoint.nsw.gov.au. The Board also issued a Procurement Roadmap summarising the Strategic Directions Statement 2013-14, which is also available from the ProcurePoint website.

Procurement Policy Framework

The NSW Procurement Board is responsible for overseeing the Government procurement system, setting policy and ensuring compliance. It has the statutory power to issue policy and directions to agencies, and monitor the progress of agency compliance.

In December 2012 the Procurement Board issued its interim Procurement Policy Framework, which applied from 1 January 2013.

The purpose of the Procurement Policy Framework was to set out the policy and operating framework for the NSW public sector procurement system. It provided agencies with a single source of guidance and rules on the procurement of goods and services.

The Procurement Policy Framework was developed by the Procurement Leadership Group for use by agencies and suppliers to Government.

The Government's devolved model for procurement takes a less prescriptive approach than previous procurement policy. To this end, mandatory requirements within the Procurement Policy Framework were kept to a minimum. Additional material was provided as guidance with the Procurement Policy Framework, representing the NSW public sector's better practice for procurement.

The interim version of the Procurement Policy Framework will be finalised on 1 July 2013 to incorporate the Procurement Board's directions issued throughout 2013.

Small and Medium Enterprise Policy Framework

The NSW Government's Small and Medium Enterprise Procurement Policy Framework (the SME Policy Framework) was released in late 2012. It aims to improve access to Government goods and services procurement for small to medium enterprises (SMEs). It supports competition and reduces the administrative burden on SMEs.

The SME Policy Framework aims to:

- Increase direct opportunities for SMEs to gain Government business - mechanisms include SME targeted supplier panels and prequalification schemes, and Government exemptions to purchase goods and services directly from SMEs, regardless of some existing Government contracts
- Provide greater accessibility for SMEs to Government procurement opportunities, such as simpler contracts and contracting processes, SME opportunity statements and SME participation plans
- Remove or minimise, where possible, barriers to Government procurement opportunities.

The SME Policy Framework contained 14 action items, all of which were completed within the published timeframe. It is available from the ProcurePoint website, www.procurepoint.nsw.gov.au.

Construction Procurement Policy

In April 2013 the Government announced that the NSW Procurement Board would progressively assume responsibility for development and implementation of the Government's construction procurement policy.

The decision was announced as part of the Government's response to the Independent Inquiry into Insolvency in the Construction Industry in NSW, conducted by Mr Bruce Collins QC, and a public-sector Construction Industry Insolvency Taskforce. Both the Inquiry and the Taskforce were initiated by the Government in August 2012 to develop a policy response to the incidence of business insolvencies across the NSW construction industry. Summarised, the policy response included:

- Strengthening existing security of payment laws, introducing prompt payment provisions for head contractors and subcontractors, enacting a new legal requirement with offence provisions for providing false or misleading information relating to payment of subcontractors and making it easier for subcontractors to recover monies owed
- Developing a trust scheme to protect subcontractors' cash retention monies, to be administered by the Office of the Small Business Commissioner
- Reforming Government procurement practices, by subjecting contractors engaged by Government to more comprehensive and more frequent financial assessments
- Implementing a trial of trust accounts through project bank accounts on ten Government construction projects
- Establishing an Industry Advisory Group to develop education campaigns to improve financial management skills in the sector, advise the Government on the impact of reforms and industry's capacity for further reform.

The Government's policy response noted the high level of industry support for the Inquiry's recommendations about industry licensing and a single building commission, and committed to undertaking a regulatory impact assessment and cost benefit analysis of these recommendations.

As part of its new role, the Procurement Board began work to implement the Government's announced policy response. In late 2012/13, the Board established a governance framework for construction procurement policy, including a Construction Leadership Group (comprised of senior executives drawn from across the NSW public sector) and a Construction Industry Advisory Group (comprised of representatives from major NSW construction industry associations and the NSW Small Business Commissioner).

The Construction Leadership Group and the Construction Industry Advisory Group will begin work in 2013/14.

Agency Accreditation Scheme for Goods and Services Procurement

The Government's devolved model for procurement is based on the principle that procurement is more efficient and effective if led at agency level, provided agencies are properly equipped to plan, undertake and monitor procurement. Accordingly, in August 2012 the Procurement Board approved its Agency Accreditation Scheme for Goods and Services Procurement.

Under this Scheme, NSW Government agencies are able to undertake different levels of goods and services procurement based on assessed capability. The Scheme aims to:

- Ensure procurement capability across NSW Government agencies
- Connect agency procurement needs and requirements across Government
- Provide visibility of procurement activity and capability centrally and within agencies.

The Scheme's objectives are to:

- Benchmark capability to undertake best procurement practice and provide a framework for continuous improvement
- Reduce costs and manage risks though effective aggregation and improved procurement capability
- Extend category leadership to lead buyer agencies as appropriate
- Provide visibility of agency procurement activity through reporting by accredited agencies.

Six NSW Government entities had completed the Scheme's accreditation process by 30 June 2013. Combined, these agencies and other bodies accounted for more than 60% of all expenditure on goods and services.

Statutory reporting requirements

The NSW Procurement Board has a statutory requirement to report details of any directions given to the Board by the Minister for Finance and Services. The Minister gave the Board no directions during 2012/13.

Board subcommittees and advisory groups

The NSW Procurement Board is able to establish subcommittees and advisory groups to, respectively, assist and advise the Board. It is supported by the Procurement Leadership Group, procurement category working groups and the Industry Advisory Group.

Procurement Leadership Group

The NSW Procurement Board established the Procurement Leadership Group under section 141 of the Act. The Group comprises senior executives drawn from across the NSW public sector. The Group supports and advises the Board on matters referred to it by the Board. Another important purpose of the Group is to achieve and maintain consistent approaches to procurement across agencies and senior procurement leadership within agencies.

During 2012/13 the Procurement Leadership Group met on 11 occasions, and also considered matters out-of-session.

Procurement Category Working Groups

The NSW Procurement Board established eight category working groups around particular procurement categories. These cross-agency groups devised strategies for purchases across the broad commodity areas of energy, fuel, travel, ICT, workplace supplies, contingent workforce, business advisory services and legal services. Combined, these broad commodity areas constitute 63% of all Government expenditure on goods and services.

Industry Advisory Group

The NSW Procurement Board established its Industry Advisory Group under section 141 of the Act.

- The role of the Industry Advisory Group is to advise the Procurement Board by:
- Providing expert advice about trends and opportunities in procurement of goods and services
- Recommending options that respond to emerging procurement trends and issues
- Advising on sector-wide procurement matters, including industry standards, future directions, procurement strategy, and the impact of the Government's procurement management decisions on industry and the non-Government sector.

The formation of the Industry Advisory Group followed a public expression of interest process for members in September-October 2012 which included eligibility requirements and selection criteria. The members were then selected through a competitive process.

The members of the Industry Advisory Group are:

- Mr Garry Browne, Chief Executive Officer and Managing Director, Stuart Alexander & Co Pty Ltd (Chairperson)
- Mr Peter North AM, Chairman, Streeton Consulting Pty Ltd
- Ms Trudy Vonhoff, Non-executive Director, AMP Bank Limited

- Mr Alan Bennett, General Manager & Vice President, HP Enterprise Services, South Pacific
- Ms Irina Zvereva, Corporate Counsel, Caltex Australia Group
- Mr James North, Partner, Corrs Chambers Westgarth
- Mr Adrian Best, Director, Synerge Pty Ltd.

The Chairperson of the Procurement Leadership Group is a non-voting member of the Industry Advisory Group.

Since its establishment on 1 February 2013, the Industry Advisory Group has met on six occasions.

The Group is not responsible for establishing or considering Government contracts. Its members do not represent or act on behalf of the Procurement Board or the NSW Government. Members receive a fee in accordance with the Public Service Commission's NSW Government Boards and Committees Remuneration Scale.

Procurement Board directions

The NSW Procurement Board has the power to issue directions to agencies that set rules and guidelines for the procurement of goods and services by Government agencies.

During 2012/13 the Procurement Board issued ten directions, three of which were interim or transitional in nature and have subsequently been withdrawn or replaced.

The Procurement Board Directions in force as at 30 June 2013 were:

- 2012–01: Procurement of goods and services on behalf of other Government agencies
- 2012–02: Obligation by Government agencies to use whole-of-Government contracts
- 2012–05: Use of Procure IT when entering into an arrangement with a supplier for the procurement of ICT goods and services
- 2012-07: Multi-agency access arrangements (authorising of prequalification and registration schemes, standing offers, and panel contracts)
- 2013-01: Compliance (this Direction commenced from 1 July 2013)
- 2013-02: Statement on the Promotion of Competition
- 2013-03: Approved procurement arrangements from 1 July 2013.

All Procurement Board directions, including withdrawn directions, are available from the ProcurePoint website.

Procurement Board delegations

In December 2012 the NSW Procurement Board delegated the governance of procurement of ICT goods and services to the ICT Board. This was designed to ensure that the ICT policies and strategies endorsed by the ICT Board were implemented with the right mix of procurement activity and contracts. In this case, 'ICT goods and services' included hardware, services, networking, software and telecommunications, which constitute the ICT procurement category.

The ICT Board is an administrative body comprising the:

- Director General, Department of Finance and Services (Chairperson)
- Director General, Department of Premier and Cabinet
- Secretary, The Treasury
- Director General, Department of Education and Communities

- Director General, Ministry of Health
- Director General, Department of Trade and Investment
- Director General, Transport for NSW
- Chair of the ICT Advisory Panel.

Complaints

The NSW Procurement Board deals with complaints about NSW Government procurement arrangements, including tendering and contracts.

During 2012/13, the Procurement Board received nine complaints in relation to the procurement within Government. All complaints were investigated.

In May 2013 the Procurement Board adopted a new complaint handling policy which was consistent with the reforms to the NSW procurement system. In most cases, agencies will deal with complaints in the first instance, and the Board will monitor the overall nature and level of complaints.

6.2 Waste Assets Management Corporation annual report

The Hon Andrew Constance MP
Minister for Finance and Services
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 2013 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

Phil Carbins
Chief Executive
Waste Assets Management Corporation

HEAD OFFICE
Level 4, 10 Valentine Avenue
Parramatta NSW 2150

PO Box 3366 Parramatta NSW 2124
Ph: 02 9685 4960
Fax:02 9687 6670
ABN 56 784 733 957 | www.wamc.nsw.gov.au

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.

a) To hold, on behalf of the Crown, WSN Environmental Solutions (WSN) assets acquired by it or transferred to it by or under the Act or any other 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

b) 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

c) Such other functions in connection with WSN assets held by it as may be prescribed by the regulations

d) Such other functions as may be conferred or imposed on the corporation by or under the Act or any other Act.

Since 3 April 2011, as a consequence of clause 4(1)(a) 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 Australia), 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 631,000 tonnes of solid waste materials at its operating landfills during the reporting period, which was 34% above the forecast volume of 471,000 tonnes.

Administration

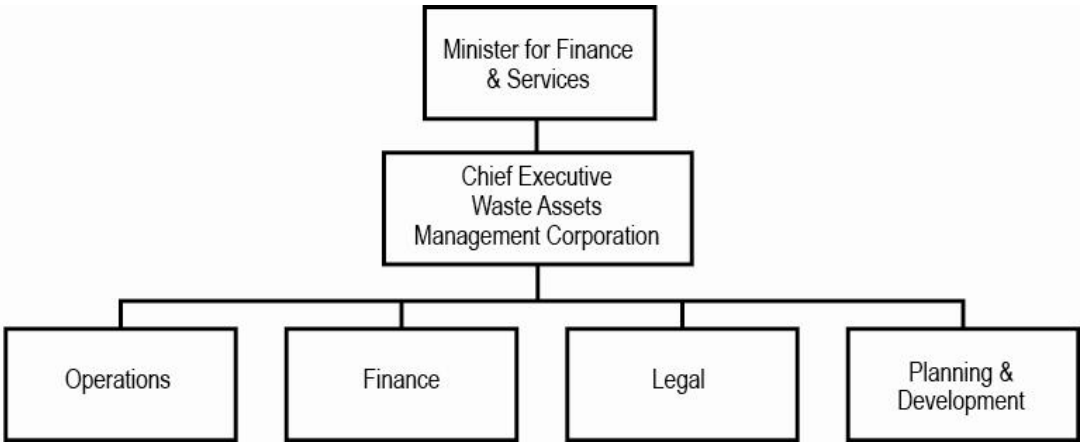
The Department of Finance and Services provides administrative support to WAMC. This support includes annual reporting requirements in relation to human resources, finance and risk management which are covered by the Department of Finance and Services' annual report.

WAMC's *Government Information (Public Access) Act 2009* and *Privacy and Personal Information Protection Act 1998* statistical information for 2012/13 is included at the end of this report.

At 30 June 2013, 40 Department of Finance and Services staff were 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 as at 30 June 2013



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. During the year to June 2013, WAMC's rehabilitation liabilities were reassessed to take into account recent falls in long term interest rates, regulatory changes and levels of future rehabilitation activities. WAMC financial statements, including its rehabilitation liabilities, for 2012/13 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 96,000 megawatt hours of renewable energy by capturing landfill gas emissions and converting the methane into green electricity resulting in the avoidance of 461,000 tonnes of carbon dioxide being emitted into the atmosphere.

Risk management

Internal Audit and Risk Management Statement for the 2012-2013 Financial Year for the Waste Assets Management Corporation

I, Phil Carbins, Chief Executive of the Waste Assets Management Corporation (WAMC) am of the opinion that the WAMC has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

In September 2012, NSW Treasury released TPP 12-04 Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees to assist agencies to comply with the core requirements of TPP 09-05 Internal Audit and Risk Management Policy for the NSW Public Sector. Following the release of TPP 12-04, the Department of Finance and Services (DFS) consulted with Treasury to determine the best and most cost effective governance arrangements for the DFS cluster. Treasury's advice was that Ministerial approval should be sought for exceptions to full compliance to TPP 12-04 and TPP 09-05. DFS was granted an exception to full compliance to TPP 12-04 and TPP09-05.

I am of the opinion that the internal audit and risk management processes for the WAMC depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Minister for Finance and Services and (b) the WAMC has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially determined departure	Reason for departure and description of practicable alternative measures implemented
Core Requirement 1: The Chief Audit Executive should be appointed from within the agency by the Department Head.	In 2012/13 the Waste Assets Management Corporation shares a Chief Audit Executive with Department of Finance & Services. At the time of attestation, formal approval of this arrangement was pending.
Core Requirement 2: An Audit & Risk Committee has been established.	Full compliance with TPP09-05 would put an unreasonable administrative and cost burden on the entity.

A review of the Department of Finance and Services cluster arrangements for audit and risk committees was conducted to ensure that smaller related entities were relieved of the cost burdens of supporting their own audit and risk committees and to provide an equivalent coverage of their obligations under TPP09-05 through the sharing of the department's resources. Consequently, the WAMC is clustered with Government Property NSW Audit & Risk Committee (GPNSW ARC). The GPNSW ARC is compliant to Core Requirement 2 of TPP 09-05 and has attested compliance to this Core Requirement in its Attestation Statement.

I am of the opinion that the WAMC ARC 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 WAMC ARC are:

- Mr Jon Isaacs, Independent Chair (period of appointment 31 October 2011 to 31 October 2015)
- Mr Ken Barker, Independent Member (period of appointment from 31 October 2011 to 31 October 2014)
- Ms Cristina Cifuentes, Independent Member (period of appointment from 30 January 2012 to 31 May 2013)

This Audit & Risk Committee has been established under a Treasury/Minister approved shared arrangement with the following department/statutory body:

- Government Property NSW

These processes, including the practicable alternative measures implemented, provide a level of assurance that enables the senior management of the WAMC to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with exceptions with the policy to the Treasury on behalf of the Treasurer.

Phil Carbins
Chief Executive
Waste Assets Management Corporation

Government Information (Public Access)

Table A: Number of applications by type of applicant and outcome[1]

	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	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

1. 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[1]	0	0	0	0	0	0	0	0

	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
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	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)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used[1]
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0

	Number of times consideration used[1]
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

1. 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	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
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)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	**0**

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	0	0	**0**
Review by Information Commissioner[1]	0	0	**0**
Internal review following recommendation under section 93 of Act	0	0	**0**
Review by Administrative Decisions Tribunal	0	0	**0**
Total	**0**	**0**	**0**

1. 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	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Office address

Waste Assets Management Corporation
Level 4, 10 Valentine Avenue
PARRAMATTA NSW 2150
Telephone: (02) 9685 4961
Fax: (02) 9372 7070
Business hours: 8.30 am to 5.00 pm

6.3 Australian Centre for Advanced Computing and Communication Pty Ltd (ac3) annual report

The mission of Australian Centre for Advanced Computing and Communication Pty Ltd (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.

Structure of ac3

ac3 was registered as a proprietary company limited by shares under the *Corporations Act 2001* (Cth) on 10 November 2000.

The NSW Government currently holds 100% of the shares in the company.

The ac3 board consists of four directors: Neville Robert Stevens (Chair), Anne Skewes, Sajeev George and Anthony Lean.

ac3 directors' report

Review of operations

The company recorded another profit in 2012/13. Total income was $24 million, an increase of approximately $9 million over 2011/12.

The NSW Government continued to be the company's largest client, representing 90% of revenue.

Contractual arrangements are in place with 45 entities. Private sector revenue represents 10% of turnover.

The number of staff employed at 30 June 2013 was 51. Staff costs represent $6.2 million, or 40% of all expenses.

ac3 employees are not ‘public officials’ for the purposes of the *Public Interest Disclosures Act 1994*.

Future developments and results

The NSW Government is in the process of divesting its 100% shareholdings in ac3. Since 1 July 2013, a short list of bidders has been identified by the sale transaction team. A successful outcome of the sale will be a change of ownership of the company.

Significant events after balance date

Nil

Meetings of directors

The following table sets out the numbers of regular meetings of the company's directors under the previous board held during the year ended 30 June 2013, and the number of meetings attended by each director.

	A	B	C	D
Neville Robert Stevens (Chair)	6	6	6	6
Ms Anne Skewes	6	6	N/A	N/A
Mr Anthony Lean	6	6	N/A	N/A
Mr Sajeev George	6	6	6	6

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.

6.4 Office of the Valuer-General

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

The Valuer-General is responsible for the:

- Provision of fair, accurate and consistent land values for rating and taxing purposes under the *Valuation of Land Act 1916*
- Determination of compensation following the compulsory acquisition of land under the *Land Acquisition (Just Terms Compensation) Act 1991*
- 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 landholders, 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 and provide value for money; delivering valuations that are fair, consistent and timely.

Outcomes

- Accurate and consistent land values
- A quality, cost effective valuation service measured through recognised quality standards and international benchmarks
- An open and transparent valuation system
- Continuous improvement of the valuation system by working closely with the Joint Parliamentary Committee on the Office of the Valuer-General
- Improved, regular and open 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 2.47 million land valuations produced annually in New South Wales. Land value reflects the market value of the land as at 1 July in the year of valuation and is based on the value of land if it were 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. The total land value for New South Wales as at 1 July 2012 was approximately $977.9 billion. The overall average cost per valuation was $16.81.

The Valuer-General provides land values to Councils for rating purposes and the Office of State Revenue for managing land tax, as well as a number of other Government agencies. Land values are provided electronically to councils every three to four years and the Office of State Revenue annually. The Valuer-General issues landholders with a Notice of Valuation when their respective local Council receives new land values for rating.

The following table shows the local government areas that received new land values for rating as at 1 July 2012 and the number of Notices of Valuation issued in each local government area in January and February 2013.

Local government area	Number of Notices of Valuation issued	Local government area	Number of Notices of Valuation issued
Auburn	15,767	Muswellbrook	7,409
Bega Valley	18,236	Newcastle	56,966
Bland	4,186	Oberon	3,654
Brewarrina	1,105	Orange	16,590
Byron	13,043	Palerang	7,831
Campbelltown	50,126	Penrith	60,353
Canada Bay	18,182	Pittwater	20,252
Carrathool	2,079	Port Macquarie-Hastings	29,557
Cessnock	23,295	Queanbeyan City	12,510
Cootamundra	4,162	Randwick	26,461

Local government area	Number of Notices of Valuation issued	Local government area	Number of Notices of Valuation issued
Dungog	4,899	Rockdale	23,451
Fairfield	52,743	Shellharbour	23,498
Gilgandra	2,469	City of Sydney	27887
Gosford	63,290	Temora	3,898
Greater Hume	6,666	Tumut	6,494
Gwydir	3,140	Wakool	2,927
Junee	3,026	Warren	2,010
Kempsey	14,164	Warringah	37,997
Kiama	9,041	Waverley	13,203
Kyogle	5,226	Willoughby	17,312
Leeton	5,069	Wingecarribee	21,974
Lismore	17,864	Woollahra	13,420
Marrickville	23,899		
	Total notices issued	769,444	

Land and Property Information

Land and Property Information (LPI) managed the valuation system on behalf of the Valuer-General. LPI provided a range of valuation services including the management of customer service, management of valuation contracts, the provision of information to contract valuers, the objection review process, audit and quality assurance and the day to day management of valuations completed under the *Land Acquisition (Just Terms Compensation) Act 1991*.

LPI's services to the Valuer-General are formalised through a Service Level Agreement, which is reviewed regularly to ensure robust reporting against key performance indicators and continuous improvement of the valuation system.

A review of the Service Level Agreement in 2012 resulted in six recommendations. All agreed action items associated with these recommendations have now been addressed. These included clearly defined roles and responsibilities, a communications protocol, updated delegations and accountabilities and enhanced key performance indicators.

Governance

The Valuer-General reports administratively to the Minister for Finance and Services and the Director General, Department of Finance and Services.

Parliamentary Committee

The Committee on the Office of the Valuer-General was first established in the 53rd Parliament in July 2003 as a Joint Standing Committee, with representatives from both houses of Parliament. The Committee was most recently re-established in the 55th Parliament on 22 June 2011.

The Committee monitors and reviews the exercise of the Valuer-General's functions with respect to land valuations. In particular, the Committee can monitor valuation methodologies, the arrangements

under which valuation contracts are negotiated and entered into, and the standard of valuation services provided under such contracts.

The Committee comprises five members.

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 includes senior representatives of the property industry and stakeholders comprising the Real Estate Institute of NSW, Australian Property Institute, Local Government and Shires Association, Property Council of Australia and Office of State Revenue.

The group met three times during the year. Principal matters for consideration were:

- Review of the Valuation of Land Act 1916
- Ongoing parallel valuation project
- Land valuation audit tools
- Establishment of a Management Assurance Framework for improved risk management
- Analysis of objections and customer service improvement.

Structure of the Office of the Valuer-General

The Office of the Valuer-General is comprised of the Valuer-General and five permanent staff.

Report on performance

Joint Standing Committee on the Office of the Valuer-General and Inquiry into the Valuation System

In March 2012 the Joint Standing Committee on the Office of the Valuer-General convened its Eighth General Meeting. On 21 January 2013 the Committee announced an Inquiry in the Land Valuation System and called for public submissions. The Committee's final report, published on 2 May 2013, included 29 recommendations for improving the valuation system. The Government and Valuer-General are to respond to the recommendations by 4 November 2013.

Quality assurance

In January 2013, with the support of the Auditor General, an external quality assurance review of administrative processes governing information requests between the Office of the Valuer-General and LPI was conducted. Implementation of the recommended improvements will be complete by the end of 2013. These will ensure that both organisations maintain robust and comprehensive quality assurance practices.

Risk management

The Valuer-General successfully completed stage one of a project to implement a Management Assurance Framework across LPI Valuation Services to further strengthen the management of risk within the valuation system.

Stage one implemented risk management frameworks for both LPI Valuation Services and the Office of the Valuer-General, developed new standardised risk registers for all business areas and established a Management Assurance Committee to oversee the new processes. Preparation for stage two, which involves a review of audit and quality assurance outcomes within LPI Valuation Services, has commenced.

Electronic delivery of Notice of Valuations (E-Notices)

Landholders with a large number of properties are now able to access an electronic portal to view E-Notices for their properties instead of receiving separate Notices of Valuations in hardcopy. Landholders currently registered can more readily access and utilise valuation data and save time. LPI also realised an overall cost saving for the production and postage of approximately 33,000 hard copy Notices of Valuation. More landholders will be registered in the coming years to realise further benefits and savings.

Improved reporting capabilities

Improved capabilities for reporting activity based costing have been developed over the year and are expected to be available in September 2013. Activity based costing was an improvement identified during the Joint Standing Committee's Eighth General Meeting with the Valuer-General. This will improve transparency on the management of resources and requirements within LPI Valuation Services.

Land value verification program

The verification program provides for the individual review of land values and attributable data for all properties in New South Wales. It was initially implemented in 2006 as part of the drive to enhance the quality of land values. This initial program ran for a five-year period to 2011.

The program is being continued from 2012 to 2018 but has been enhanced through a risk-based approach which considers the complexity and nature of properties to determine the timeframe for verification. On completion of the first year of the current program several recommendations were made, with a number of improvements already implemented to further enhance land value verification. Over the six years of the current program all land values in NSW will be verified, with those properties identified as high risk verified annually. The ongoing verification project will ensure the continued improvement in the quality of land values.

Complex land value improvement program

In November 2011 a program began to improve the quality and consistency of land values for complex properties. The program identified the types of properties that, due to their complexity or lack of market evidence, required more detailed consideration and review.

The property types selected under the program are subject to increased review and quality assurance. The program is ongoing with an initial period of three years to allow for review and subsequent forward planning. The overall objective is to improve the quality of the valuations and increase the knowledge and data available to support these valuations.

In the last two years, complex property types have been reviewed, including:

- Shopping centres
- Contaminated land
- Domestic waterfront land subject to Crown lease or licence
- Land subject to coastal erosion
- Land affected by heritage restrictions
- Land valued under Section 6A(2) of the *Valuation of Land Act 1916* where the existing use of land is above its current permitted planning use, resulting in a higher land value.

Research and innovation

Associate Professor John MacFarlane, from the University of Western Sydney, continued to provide independent and impartial advice on improving the quality of land values for rating and taxing purposes in New South Wales. Work undertaken in the past 12 months included analysis of 1 July

2012 land values and objection outcomes, ongoing research and development of an automated valuation model and independent analysis of the overall quality of land values through statistical measures. The Land Value Improvement Group, comprising the Office of the Valuer-General, LPI Valuation Services and Associate Professor John MacFarlane, met monthly to steer the direction of research and innovation in the land valuation system.

Key performance indicators	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 target
Total valuations issued for rating and taxing purposes	1,506,235	1,638,793	1,578,466	1,830,466	1,689,220	-
Total valuations on Register of Land Values at 30 June	2,416,581	2,428,915	2,441,947	2,455,600	2,470,53[1]	-
Total Notices of Valuations issued	842,714	834,532	793,297	922,863	854,094	-
Customer Service						
Total number of calls	51366	39941	27909	35890	34,255	
% of calls resolved on first contact	88%	88%	90%	91%	92%	85%
% of calls responded to within 3 days	71%	73%	72%	99%	99%	95%[1]
Ratepayers						
% Notices of Valuation issued within 31 days	96.5%	71%[2]	95%	93%	97%	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	99.9%	100%	100%	100%	100%	100%
Office of State Revenue						
% objections to land values for land tax completed within 90 days[3]	44%[5]	59%[5]	86%[5]	86%	60%[4]	85%[3]
% objections to land values for land tax completed within 120 days[4]	94%[7]	98%[7]	98%[7]	96%	75%[4]	90%[6]
% objections to land values for land tax, where land value is greater than $1m, within 120 days	74%	78%	93%	94%	79%[5]	95%
% of new land values issued for property in NSW to OSR by 16 November	100%	100%	100%	100%	100%	100%
Supplementary valuations						

Key performance indicators	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 target
Total supplementary valuations issued	38,775	36,659	39,465	50,906	52,321	-
Average days to complete	65 days	47 days	39 days	34 days	34 days	<65 days
Statistical quality measures for land values						
% Council areas meeting all standards – Residential[8]	75.7%[8]	80.9%[8]	91.3%[8]	91.6%	93.8%	90%
% Council areas meeting all standards - Business / Industrial[7]	61.6%[8]	69.4%[8]	78.8%[8]	91.1%	85.3%	85%
% Council areas meeting all standards – Rural[8]	53.8%[8]	49.2%[8]	67.5%[8]	72.3%	77.7%	75%
Objections						
Number of objections received for all valuing years	6,885	7,092	4,899	5,684	6,249	-
Number of objections received as a % of valuations issued	0.46%	0.43%	0.31%	0.31%	0.37%	-
% objections to land values completed within 90 days[9]	44%[11]	63%	86%	84%	59%[4]	85%[10]
% objections to land values completed within 120 days[9]	70%[11]	80%	97%	96%	73%[4]	90%[12]
% objections to land values completed within 180 days[9]	94%[11]	98%	99%	99%	96%[4]	98%[13]
Average number of days to complete objections[9]	103 days[11]	83 days	61 days	58 days	89 days[4]	<75 days[14]

Notes:

1. Target KPI of 85% changed to 95% in 2012/13 for follow up contact calls responded to within three business days
2. Issue of supplementary valuations was suspended during the issue of the general valuation
3. KPI changed in 2011 from a target of 30% completed in 90 days to 85% completed in 90 days
4. Additional audit and quality assurance measures were added to the objection process in 2012/13, causing a drop in performance against these KPIs
5. Original KPI of 30% completed in 90 days
6. KPI changed in 2011 from a target of 75% completed in 180 days to 90% in 120 days
7. Original KPI 75% in 180 days
8. Where an appropriate number of analysed sales (five or more) is not available for a zone, the local government area is not included in the measure. Statistics published in the 2009-2010 annual report included all zones for all local government areas, these are now updated in accordance with the new basis
9. Enhanced quality assurance process introduced for 2012/13 has increased the time taken to process objections
10. Target KPI of 65% changed to 85% in 2012/13 for objections to land values completed within 90 days
11. New basis for counting objections introduced in 2007/08– counting commences from when an objection is accepted as valid
12. This measure was not reported in 12/13 SLA, target KPI is revised against target to be included in 13/14 SLA, from 80% to 90% for objections completed within 120 days

13. Target KPI of 95% changed to 98% in 2012/13 for objections to land values completed within 180 days

14. Target KPI of less than 90 days changed to less than 75 days in 2013/12 for the average number of days to complete objections

6.5 Surveyor-General's report

The Surveyor-General of New South Wales is the Government's principal advisor on surveying and spatial information. The statutory functions cover survey and positioning infrastructure, geographical naming and maintaining the integrity of the State's cadastre.

In 2012/13, Land and Property Information division, on behalf of the Surveyor-General:

- Continued the rollout of the Continuously Operating Reference Station Network (CORSnet _NSW) to 131 operating stations providing basic (DGPS) services to 95.9% of the State with 60% coverage of high-precision (two centimetres) positioning services
- Upgraded the spatial accuracy of digital cadastral boundaries in over thirty local government areas to support infrastructure development and Government e-planning initiatives
- Constructed EDM Baselines at Western Sydney (Lethbridge Park) and Bathurst. Investigating other sites in Grafton/Coffs Harbour and Newcastle for new six Pillar EDM Baselines
- Posted historic surveying documents on its website.

The Surveyor-General continued to support the promotion, education and skills of the surveying and spatial information industry and the preservation of surveying history through:

- The Surveyor-General's Undergraduate Scholarship in Surveying – winner Laurence Davies
- Surveyor-General International Fellowship in Surveying and Spatial Information – winners Sian Elliot and Thomas Williams
- Murray Chapman Award for Research into Aboriginal Placenames in NSW – winner David Nash
- Sponsorship of the University of New South Wales' School of Surveying and Spatial Information Systems Graduation Dinner and Awards Night
- Sponsorship of Consulting Surveyors National demand study 'Determining the Future Demand, Supply and Skills Gap for Surveying and Geospatial Professionals'.

The Surveyor-General provided leadership and strategic direction for the surveying and spatial information sector by:

- Releasing the Surveying and Spatial Information Regulations 2012
- Releasing the updated version of the Surveyor-General's Direction No 12 – Control Surveys and SCIMS
- Hosting workshops with industry stakeholders on the proposed next generation datum for Australia
- Releasing a new version of SCIMS Online
- Releasing a draft Road Naming Policy, for public comment (through the Geographical Names Board of New South Wales)
- Participating in the Sydney Satellites project to investigate alternative positioning technology; Locata.

The Surveyor-General is a key member and Deputy Chair of the NSW Location Leadership Group, the peak Government group for Spatial and Location Information Policy and Strategy in New South Wales. During the year the NSW Location Leadership Group met four times and through the ICT Governance Framework delivered the following:

- A comprehensive NSW Foundation Spatial Data Framework (FSDF) which defines the foundation spatial datasets critical to the functioning, planning, maintenance and management of the State of NSW, and aligns with the Australia New Zealand Spatial Information Council (ANZLIC) national approach
- The development of a NSW FSDF will ensure a single point of truth, and that authoritative, reliable and up-to-date spatial data is available to support NSW in decision-making. Business critical use of data by Government, business and community has been agreed upon
- A Data and Information Custodianship Policy with Guidelines for Spatial Information that has been adopted as a component of the NSW Government's Information Management Framework
- A NSW Location Intelligence Strategy that defines what location intelligence is and how Government can harness its power to deliver better services to the people of NSW
- Defined and proposed a whole-of-government Spatial Imagery procurement panel, to deliver efficiencies and savings for State and Local government in procurement and access to spatial imagery products and services from a whole-of-government panel
- Approved the production of a business case to support the introduction of a system of emergency markers in NSW to improve public safety and emergency response in remote areas
- Established the Location Industry Leadership Advisory Committee with representation from peak user groups and ICT under the auspices of the Board of Surveying and Spatial Information (BOSSI) to provide key stakeholder input into policy-making.

Des Mooney
Surveyor-General

6.6 Registrar-General's report

The Registrar-General is responsible for maintaining the NSW land title system. Around 4.3 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.

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 a number of amendments were made to legislation and regulations administered by Land Property Information (LPI) on behalf of the Registrar-General (see Appendix 9.18 Legislative change for amendments to LPI legislation *Powers of Attorney Amendment Act 2013;* Strata Schemes; and *Valuation of Land Regulation 2012*).

National Electronic Conveyancing

National Electronic Conveyancing is a COAG initiative to introduce a single electronic conveyancing system across Australia. The Australian Registrars' National Electronic Conveyancing Council (ARNECC), which comprises Registrars General or equivalent positions in each of the States and Territories, is responsible for overseeing the introduction of National Electronic Conveyancing and is responsible for:

- Advising State and Territory governments on any proposed changes to the legal framework for electronic conveyancing and the Electronic Conveyancing National Law
- Providing authoritative advice to the States and Territories about matters relating to national electronic conveyancing
- Ensuring that, as far as is practicable, electronic conveyancing business practices are consistent when implemented in each jurisdiction.

During the year, the Electronic Conveyancing National Law was passed in NSW as the host jurisdiction for the National Law which has since been adopted as law in Victoria, Queensland and the Northern Territory with South Australia, Western Australia and Tasmania to follow.

A platform for electronic conveyancing or Electronic Lodgement Network (ELN) is being developed by National E-Conveyancing Development Limited (NECDL). The NECDL ELN is called Property Exchange Australia or PEXA. While each Registrar must approve operation in their respective jurisdiction, ARNECC has coordinated the review of the assessment of NECDL's eligibility. NECDL will be introducing PEXA in stages across Australia commencing initially in Victoria in June 2013 and NSW in early September 2013.

The *Electronic Conveyancing National Law (Adoption of National Law) Act 2012* was passed by the NSW Parliament on 14 November 2012. This means that there will be a sound statutory basis for documents in electronic form to be electronically lodged and processed under NSW's land titles legislation. NSW took the lead with this bill which enables other participating jurisdictions to pass their own legislation by either applying the NSW law or enacting mirror legislation. This bill was proclaimed and came into operation on 1 January 2013.

Digital plan lodgement and processing

LPI has developed a new information management system capable of processing digital plan information.

The new system includes a service to facilitate lodgement of plans in LandXML (LXML) format, the most significant enhancement to LPI's plan lodgement and registration service since the lodgement of plan TIFF images for registration was introduced in 2001. LXML is a specialised data file format designed for use in surveying and engineering fields and is the national standard for data transfer of cadastral plans. LXML lodgement uses intelligent data files to conduct an electronically assisted plan examination and automated file compliance check using a custom-developed software application.

The first LXML lodgement through LPI's ePlan lodgement portal was made in September 2012. More than 30 surveyors are currently testing the preparation of plans in LXML format in their systems.

LPI began work on enhancing the ePlan lodgement portal that will provide a more efficient and complete electronic environment for surveyors to work in.

The service will substantially enhance the quality of ‘as lodged’ plan data, requisitions will be reduced and plan processing and turnaround times will be improved. An online validation service is currently available to provide surveyors with a utility where they can upload and validate their own LXML files at any time up to and including lodgement. Self-validation is expected to eliminate up to 80% of requisitions.

Des Mooney
Registrar-General

6.7 Geographical Names Board of NSW

The Geographical Names Board (GNB) was established in 1966 to standardise place names within New South Wales. The board achieves this standardisation through the application of policies that aim to reduce confusion by:

- Minimising duplication
- Confirming the position and extent of places
- 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 to minimise offensive, incongruous and/or blatantly commercial names in the State’s nomenclature. This emphasis on propriety reflects the board’s view that place names are owned by the community and should reflect the communities’ principles and values. Place names with Aboriginal significance or that reflect NSW’s cultural diversity are preferred.

Place names commemorating extraordinary achievements by members of the community 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 of new place names is essential if they are to be used by the community. The board works closely with local councils when establishing names and consults broadly with the local community before names are formally adopted.

Key achievements

Consistent addressing information supports improved property identification for the delivery of services, improved emergency planning, response and recovery and economic activity. To support addressing requirements for NSW, this reporting year the board gazetted 19 changes to suburb and locality names and boundaries and oversaw more than 1,330 proposals to name or rename public roads. The board also oversaw more than 30 minor amendments to address locality boundaries to ensure that the provision of services, and in particular emergency services, is provided.

There were over 51 names assigned that recognised outstanding achievement in the community by commemoratively naming relevant geographical features. The names recognised acts of bravery, community service and exceptional accomplishments by both individuals and groups.

The board is committed to recognising the State’s Aboriginal culture through place naming. Five 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 New South Wales. 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 formalised 19 address locality names and processed over 1,330 road naming proposals in the reporting year leading to greater certainty and integrity for many thousands of addresses in New South Wales.

Performance figures

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

Key performance indicators

Designation	2009/10	2010/11	2011/12	2012/13
Address locality names and boundaries	107	132	116	19
Road names	1,576	1,348	1,563	1,334
Dual names	0	0	0	0
Other place names	117	321	218	261

Governance

Functions of the board

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
- Investigate and determine 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*.

Board members and attendance

Members of the Board	Board meetings (5 meetings)
Mr Des Mooney Surveyor-General of NSW. Ex-officio position.	5
Mr Paul Harcombe Nominee of Chief Executive, Land and Property Information. Ex-officio position.	3
Mr Richard Neville Nominee of the State Librarian. Ex-officio position.	4
Mr Peter Downes Nominee of the Department of Planning. Ex-officio position. Appointed February 2012. Retired March 2013.	2
Mr Neil Selmon[1] Nominee of the Department of Planning. Ex-officio position. Appointed deputy for Peter Downes.	1
Mr Doug Kinlyside Appointed as a proxy for Mr Paul Harcombe for the 343rd meeting on 28 September 2012.	2
Mr Terry Kass Nominee of the Royal Australian Historical Society. Appointed November 2012, term expires February 2017.	5
Cr Julie Hegarty Nominee of the Local Government and Shires Association of NSW. Appointed February 2012, term expires February 2017.	5
Dr Emma Ruth Power	3

Members of the Board	Board meetings (5 meetings)
Nominee of the Geographical Society of NSW. Appointed February 2012, term expires February 2017.	
Mr Roy Ah-See Nominee of NSW Aboriginal Land Council. Appointed February 2012, term expires February 2017. Replaced Beverley Manton.	0
Mr Stepan Kerkyasharian Nominee of the Community Relations Commissioner. Appointed May 2012, term expires May 2014. Replaced Wajiha Ahmed.	2

Counsellors[2]	Board meetings (5 meetings)
Dr Peter Orlovich, Historical Advisor	5
Dr Jakelin Troy, Linguistic Advisor	3
Darren Leong, Australia Post Addressing Advisor, Retired.	3
Gerard Herbert, Australia Post Delivery Advisor, Replaced Mr Darren Leong.	2
Graham Chapman, NSW Fire & Rescue Advisor	5
Peter Naidovski, UDIA, Development Issues Advisor	2

1. Includes attendance of Mr Neil Selmon to one meeting who was appointed as a deputy pursuant to section 3(12)(a) of the *Geographical Names Act 1966*.

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 five 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 New South Wales. The object of the association is to ensure that the Australian National Placenames 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 web 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 Act. To carry out this function Land and Property Information (LPI) employs a secretariat which consists of four staff members. LPI 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 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 New South Wales.

7. Financial Statements

- Department of Finance and Services (DFS)
- Waste Asset Management Corporation (WAMC)
- Australian Centre for Advanced Computing and Communication Pty Ltd (ac3)

INDEPENDENT AUDITOR'S REPORT

Department of Finance and Services

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 comprise the statement of financial position as at 30 June 2013, the statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flows, service group statements and a summary of compliance with financial directives for the year then ended, 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 Department as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 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 of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Director General determines is necessary to enable the preparation of the financial statements that give a true and fair view and 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 control relevant to the Department's preparation of the financial statements that give a true and fair view 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 Department'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.

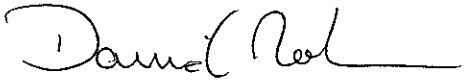
My opinion does *not* provide assurance:

- about the future viability of the Department
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its 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 other information that 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 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 roles by the possibility of losing clients or income.



David Nolan
Director, Financial Audit Services

20 September 2013
SYDNEY

DEPARTMENT OF FINANCE AND SERVICES

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

STATEMENT BY THE DIRECTOR-GENERAL

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

(a) The accompanying 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 2013;

(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.

Jamie Glasfield

Director-General
Department of Finance and Services

19 SEP 2013

DEPARTMENT OF FINANCE AND SERVICES

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Actual 2013 $'000	Budget 2013 $'000	Actual 2012 $'000
Expenses excluding losses				
Operating Expenses				
Employee related	2(a)	571,444	676,068	656,320
Other operating expenses	2(b)	257,335	226,239	300,007
Depreciation and amortisation	2(c)	191,015	196,972	204,117
Grants and subsidies	2(d)	243,530	252,511	228,385
Finance costs	2(e)	31,987	31,242	32,275
Book value of motor vehicles sold	2(f)	107,148	119,577	118,775
Transfers to Crown Finance Entity	2(g)	64,962	-	-
Other expenses	2(h)	9,113	15,350	6,724
Total Expenses excluding losses		**1,476,534**	**1,517,959**	**1,546,603**
Revenue				
Recurrent appropriation	3(a)	342,406	361,070	381,107
Transfers to Crown Finance Entity	2(g)	(44,594)	(50,401)	(37,590)
Capital appropriation	3(a)	13,133	19,929	24,890
Sale of goods and services	3(b)	892,885	915,995	977,161
Investment revenue	3(c)	15,042	23,365	22,892
Retained taxes, fees and fines	3(d)	61,640	62,864	59,562
Grants and contributions	3(e)	32,763	13,530	19,789
Acceptance by the Crown Entity of employee benefits and other liabilities	3(f)	7,775	14,845	23,638
Proceeds from sale of motor vehicles	3(g)	125,582	148,395	146,715
Other revenue	3(h)	5,406	9,435	3,136
Total Revenue		**1,452,038**	**1,519,027**	**1,621,300**
Gain/(loss) on disposal	4(a)	**(5,632)**	**-**	**2,038**
Other gains/(losses)	4(b)	**(5,727)**	**-**	**(5,632)**
Net Result		**(35,855)**	**1,068**	**71,103**
NET RESULT FOR THE YEAR AFTER TAX		**(35,855)**	**1,068**	**71,103**
Other comprehensive income				
Items that will not be reclassified to net result				
Superannuation actuarial gains/(losses)	17	254,917	-	(606,682)
Net increase in property, plant and equipment revaluation surplus	11	1,844	-	-
Items that may be reclassified subsequently to net result				
Investment Valuation Gains	10(ii) & (iii)	1,075	-	2,600
Total other comprehensive income for the year		**257,836**	**-**	**(604,082)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**221,981**	**1,068**	**(532,979)**

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE AND SERVICES

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	Actual 2013 $'000	Budget 2013 $'000	Actual 2012 $'000
ASSETS				
Current Assets				
Cash and cash equivalents	6	409,083	453,560	504,486
Receivables	7	259,612	365,517	299,334
Inventories	8	3,964	3,288	5,552
Financial assets at fair value	9	15,251	21,510	18,289
Other	10	12,449	48,579	18,328
Total Current Assets		**700,359**	**892,454**	**845,989**
Non-Current Assets				
Inventories	8	3,410	3,819	3,750
Property, plant and equipment	11			
Land and Buildings		109,677	129,058	108,554
Plant and Equipment		48,575	69,451	82,938
Motor Vehicles		522,224	564,970	536,395
Leasehold Improvements		36,729	-	29,308
Total property, plant and equipment		717,205	763,479	757,195
Intangible assets	12	128,545	112,775	128,972
Other Non-Current Assets	10	30,121	19,469	50,362
Total Non-Current Assets		**879,281**	**899,542**	**940,279**
Total Assets		**1,579,640**	**1,791,996**	**1,786,268**
LIABILITIES				
Current Liabilities				
Payables	13	235,076	351,373	283,632
Borrowings	14	176,548	212,934	200,426
Provisions	15	161,596	212,190	177,511
Other	16	52,661	8,498	47,336
Total Current Liabilities		**625,881**	**784,995**	**708,905**
Non-Current Liabilities				
Borrowings	14	364,241	342,066	354,597
Other	16,17	564,486	282,269	861,262
Total Non-Current Liabilities		**928,727**	**624,335**	**1,215,859**
Total Liabilities		**1,554,608**	**1,409,330**	**1,924,764**
Net Assets		**25,032**	**382,666**	**(138,496)**
EQUITY				
Reserves		8,622	3,103	5,703
Accumulated funds		16,410	379,563	(144,199)
Outside equity interest		-	-	-
Total Equity		**25,032**	**382,666**	**(138,496)**

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE AND SERVICES

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2013

	Notes	Accumulated Funds $'000	Asset Revaluation Surplus $'000	Total $'000
Balance as at 1 July 2012		**(144,199)**	**5,703**	**(138,496)**
Restated total equity as at 1 July 2012		**(144,199)**	**5,703**	**(138,496)**
Net Result for the year		(35,855)	-	(35,855)
Other comprehensive income				
Net increase/(decrease) in property, plant and equipment		-	1,844	1,844
Superannuation Gain/(Loss)		254,917	-	254,917
Investment Valuation Gains		-	1,075	1,075
Total other comprehensive income		**254,917**	**2,919**	**257,836**
Total comprehensive income for the year		**219,062**	**2,919**	**221,981**
Transfers with owners in their capacity as owners		**(58,453)**	**-**	**(58,453)**
Increase/(decrease) in net assets from equity transfers	18			
Balance as at 30 June 2013		**16,410**	**8,622**	**25,032**
Balance as at 1 July 2011		**393,643**	**3,103**	**396,746**
Outside Equity Interest		(3,133)	-	(3,133)
Restated total equity as at 1 July 2011		**390,510**	**3,103**	**393,613**
Net Result for the year		71,103	-	71,103
Other comprehensive income				
Superannuation Gain/(Loss)		(606,682)	-	(606,682)
Investment Valuation Gains		-	2,600	2,600
Total other comprehensive income		**(606,682)**	**2,600**	**(604,082)**
Total comprehensive income for the year		**(535,579)**	**2,600**	**(532,979)**
Transfers with owners in their capacity as owners				
Increase/(decrease) in net assets from equity transfers	18	870	-	870
Balance as at 30 June 2012		**(144,199)**	**5,703**	**(138,496)**

The accompanying notes form part of these financial statements.

DEPARTMENT OF FINANCE AND SERVICES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	*Actual 2013 $'000	Budget 2013 $'000	*Actual 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		619,532	657,166	622,934
Grants and subsidies		268,700	252,511	252,873
Finance costs		31,987	31,242	32,275
Cash Transfers to the Consolidated Fund		110,378	-	-
Public Works project costs and other		1,524,499	527,753	1,559,629
Total Payments		**2,555,096**	**1,468,672**	**2,467,711**
Receipts				
Recurrent appropriation		347,382	358,556	388,305
Capital appropriation		13,133	19,929	29,834
Sale of goods and services		2,212,276	917,338	2,148,194
Retained taxes, fees and fines		60,522	121	62,273
Interest received		16,235	23,229	22,594
Other		46,932	322,448	30,617
Total Receipts		**2,696,480**	**1,641,621**	**2,681,817**
NET CASH FLOWS FROM OPERATING ACTIVITIES	23	**141,384**	**172,949**	**214,106**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of Land and Buildings, Plant and Equipment and Infrastructure Systems		125,588	148,395	146,798
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(317,479)	(298,799)	(334,487)
Purchases of investments		(8,243)	-	(6,319)
Other		1,980	(35,948)	(108)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(198,154)**	**(186,352)**	**(194,116)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital appropriation - equity appropriation		-	-	-
Proceeds from borrowings and advances		230,956	262,077	280,776
Repayment of borrowings and advances		(245,190)	(261,993)	(270,053)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(14,234)**	**84**	**10,723**
NET INCREASE/(DECREASE) IN CASH		**(71,004)**	**(13,319)**	**30,713**
Opening cash and cash equivalents		504,486	491,481	473,773
Cash transferred out as a result of administrative restructuring	18	(24,399)	(25,017)	-
Reclassifications of cash equivalents		**-**	415	**-**
CLOSING CASH AND CASH EQUIVALENTS	6	**409,083**	**453,560**	**504,486**

The accompanying notes form part of these financial statements.

* Total actual payments and receipts from operating activities include pass through payments and receipts relating to NSW Public Works contracts, not included in budgeted figures.

Department of Finance and Services
Service Group Statements - Expenses and Revenue for the year ended 30 June 2013

EXPENSES AND INCOME	Public Works 2013 $'000	Govt Services 2013 $'000	Fair Trading 2013 $'000	Policy and Strategy 2013 $'000	Land & Property Information 2013 $'000	Office of State Revenue 2013 $'000	Personnel Services 2013 $'000	Not Attributable 2013 $'000	Total 2013 $'000
Expenses excluding losses									
Operating Expenses									
• Employee related	102,472	76,085	101,938	7,557	82,571	108,345	92,476		571,444
• Other operating expenses	57,396	80,746	35,158	1,709	46,957	35,377	(8)	-	257,335
Depreciation and amortisation	1,520	156,047	5,167	335	17,081	10,865	-	-	191,015
Grants and subsidies	13,399	741	7,261	170,325	350	10,905	40,549	-	243,530
Finance costs	-	31,987	-	-	-	-	-	-	31,987
Book value of motor vehicles sold	-	107,148	-	-	-	-	-	-	107,148
Transfers to NSW Treasury	-	64,962	-	-	-	-	-	-	64,962
Other expenses	15,736	(28,617)	22,851	(816)	-	(41)	-	-	9,113
Total Expenses excluding losses	**190,523**	**489,099**	**172,375**	**179,110**	**146,959**	**165,451**	**133,017**	**-**	**1,476,534**
Revenue **									
Recurrent appropriation	-	-	-	-	-	-	-	342,406	342,406
Transfers to Crown Finance Entity	-	-	-	-	-	-	-	(44,594)	(44,594)
Capital appropriation	-	-	-	-	-	-	-	13,133	13,133
Sale of goods and services	176,738	262,338	34,896	3,911	169,251	27,107	218,644	-	892,885
Investment revenue	1,498	3,032	6,190	308	2,128	1,886	-	-	15,042
Retained taxes, fees and fines	-	2	61,466	-	-	172	-	-	61,640
Grants and contributions	5,085	3,000	18,810	408	20	5,440	-	-	32,763
Acceptance by the Crown Entity of employee benefits and other liabilities	-	-	-	-	-	-	-	7,775	7,775
Proceeds from sale of motor vehicles	-	125,582	-	-	-	-	-	-	125,582
Other revenue	971	791	1,131	200	226	2,087	-	-	5,406
Total Revenue	**184,292**	**394,745**	**122,493**	**4,827**	**171,625**	**36,692**	**218,644**	**318,720**	**1,452,038**
Gain/(loss) on disposal	245	(5,720)	128	28	1	(314)	-	-	(5,632)
Other gains/(losses)	-	(1,538)	(3,516)	-	(685)	12	-	-	(5,727)
Net result	**(5,986)**	**(101,612)**	**(53,270)**	**(174,255)**	**23,982**	**(129,061)**	**85,627**	**318,720**	**(35,855)**
Other comprehensive income									
Superannuation gains/(losses)	-	-	-	-	-	-	-	254,917	254,917
Increase in asset revaluation reserve						-	-	1,844	1,844
Available for sale financial assets valuation gains/(losses)						-	-	1,075	1,075
Total other comprehensive income						**-**	**-**	**257,836**	**257,836**
TOTAL COMPREHENSIVE INCOME	**(5,986)**	**(101,612)**	**(53,270)**	**(174,255)**	**23,982**	**(129,061)**	**85,627**	**576,556**	**221,981**

Department of Finance and Services
Service Group Statements - Expenses and Revenue for the year ended 30 June 2013 (cont'd)

ADMINISTERED EXPENSES AND INCOME	Public Works 2013 $'000	Govt Services 2013 $'000	Fair Trading 2013 $'000	Policy and Strategy 2013 $'000	Land & Property Information 2013 $'000	Office of State Revenue 2013 $'000	Personnel Services 2013 $'000	Not Attributable 2013 $'000	Total 2013 $'000
Administered Expenses	**-**	**-**	-	**-**	**-**	474,376	**-**	**-**	474,376
Total Administered Expenses	**-**	**-**	**-**	**-**	**-**	**474,376**	**-**	**-**	**474,376**
Administered Revenues									
Consolidated Fund									
Licences, taxes, fees and fines	-	-	34,982	4	1,313	18,977,007	-	-	19,013,306
Other	-	-	-	-	-	915,370	-	-	915,370
Total Administered Revenues	**-**	**-**	**34,982**	**4**	**1,313**	**19,892,377**	**-**	**-**	**19,928,676**
Administered Revenues less Expenses	**-**	**-**	**34,982**	**4**	**1,313**	**19,418,001**	**-**	**-**	**19,454,300**

* The name and purpose of each program is summarised in Note 5.

** Appropriations are made on an entity basis and not to individual service groups. Consequently, appropriations must be included in the 'Not Attributable' column. Cluster grant funding is also unlikely to be attributable to individual service groups.

Department of Finance and Services
Service Group Statements - Expenses and Revenue for the year ended 30 June 2012

EXPENSES AND INCOME	Public Works 2012 $'000	Govt Services 2012 $'000	Fair Trading 2012 $'000	Policy and Strategy 2012 $'000	Land & Property Information 2012 $'000	Office of State Revenue 2012 $'000	Personnel Services 2012 $'000	Not Attributable 2012 $'000	Total 2012 $'000
Expenses excluding losses									
Operating Expenses									
• Employee related	116,600	99,002	112,222	17,969	95,711	115,004	99,812	-	656,320
• Other operating expenses	55,964	111,704	30,152	23,787	45,177	33,223	-	-	300,007
Depreciation and amortisation	1,889	161,985	5,802	6,834	17,512	10,095	-	-	204,117
Grants and subsidies	11,812	-	7,113	170,364	390	-	38,706	-	228,385
Finance costs	-	32,275	-	-	-	-	-	-	32,275
Book value of motor vehicles sold	-	118,775	-	-	-	-	-	-	118,775
Transfers to NSW Treasury	-	-	-	-	-	-	-	-	-
Other expenses	16,802	(34,663)	23,728	860	(3)	-	-	-	6,724
Total Expenses excluding losses	**203,067**	**489,078**	**179,017**	**219,814**	**158,787**	**158,322**	**138,518**	**-**	**1,546,603**
Revenue **									
Recurrent appropriation	-	-	-	-	-	-	-	381,107	381,107
Transfers to Crown Finance Entity	-	-	-	-	-	-	-	(37,590)	(37,590)
Capital appropriation	-	-	-	-	-	-	-	24,890	24,890
Sale of goods and services	181,926	270,986	39,577	40,783	167,272	28,797	247,820	-	977,161
Investment revenue	2,773	4,924	9,646	571	2,802	2,176	-	-	22,892
Retained taxes, fees and fines	-	-	59,416	-	-	146	-	-	59,562
Grants and contributions	1,754	1,393	15,109	1,532	-	1	-	-	19,789
Acceptance by the Crown Entity of employee benefits and other liabilities	-	-	-	-	-	-	-	23,638	23,638
Proceeds from sale of motor vehicles	-	146,715	-	-	-	-	-	-	146,715
Other revenue	8	48	21	4	1,882	1,173	-	-	3,136
Total Revenue	**186,461**	**424,066**	**123,769**	**42,890**	**171,956**	**32,293**	**247,820**	**392,045**	**1,621,300**
Gain/(loss) on disposal	(506)	(444)	(480)	(105)	3,499	74	-	-	2,038
Other gains/(losses)	(1,312)	(1,041)	(1,234)	(270)	(1,555)	(220)	-	-	(5,632)
Net result	**(18,424)**	**(66,497)**	**(56,962)**	**(177,299)**	**15,113**	**(126,175)**	**109,302**	392,045	**71,103**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Superannuation gains/(losses)	-	-	-	-	-	-	-	(606,682)	(606,682)
Increase in asset revaluation reserve	-	-	-	-	-	-	-	-	-
Available for sale financial assets valuation gains/(losses)	-	-	-	-	-	-	-	2,600	2,600
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(604,082)**	**(604,082)**
TOTAL COMPREHENSIVE INCOME	**(18,424)**	**(66,497)**	**(56,962)**	**(177,299)**	**15,113**	**(126,175)**	**109,302**	**(212,037)**	**(532,979)**

Department of Finance and Services
Service Group Statements - Expenses and Revenue for the year ended 30 June 2012 (cont'd)

ADMINISTERED EXPENSES AND INCOME	Public Works 2012 $'000	Govt Services 2012 $'000	Fair Trading 2012 $'000	Policy and Strategy 2012 $'000	Land & Property Information 2012 $'000	Office of State Revenue 2012 $'000	Personnel Services 2012 $'000	Not Attributable 2012 $'000	Total 2012 $'000
Administered Expenses	**-**	**-**	-	**-**	**-**	**601,064**	**-**	**-**	**601,064**
Total Administered Expenses	**-**	**-**	**-**	**-**	**-**	**601,064**	**-**	**-**	**601,064**
Administered Revenues									
Consolidated Fund									
Licences, taxes, fees and fines	-	-	55,544	15	16,908	17,665,462	-	-	17,737,929
Other	-	-	-	-	-	782,703	-	-	782,703
Total Administered Revenues	**-**	**-**	**55,544**	**15**	**16,908**	**18,448,165**	**-**	**-**	**18,520,632**
Administered Revenues less Expenses	**-**	**-**	**55,544**	**15**	**16,908**	**17,847,101**	**-**	**-**	**17,919,568**

Department of Finance and Services
Service Group Statement - Assets and Liabilities as at 30 June 2013

ASSETS AND LIABILITIES	Public Works 2013 $'000	Govt Services 2013 $'000	Fair Trading 2013 $'000	Policy and Strategy 2013 $'000	Land & Property Information 2013 $'000	Office of State Revenue 2013 $'000	Personnel Services 2013 $'000	Not Attributable 2013 $'000	Total 2013 $'000
Current Assets									
Cash and cash equivalents	38,324	42,632	172,673	48,468	65,651	41,288	47	-	409,083
Receivables	94,264	108,625	22,525	2,356	8,027	5,520	18,295	-	259,612
Inventories	105	3,681	99	22	57	-	-	-	3,964
Financial assets at fair value	-	-	15,251	-	-	-	-	-	15,251
Other	167	5,440	213	15	1,506	1,165	1	3,942	12,449
Total Current Assets	**132,860**	**160,378**	**210,761**	**50,861**	**75,241**	**47,973**	**18,343**	**3,942**	**700,359**
Non Current Assets									
Inventories	3,072	-	-	-	338	-	-	-	3,410
Property, plant and equipment	19,132	551,873	22,184	4,165	102,944	16,907	-	-	717,205
Intangibles	204	39,899	10,842	8	40,141	37,451	-	-	128,545
Other	-	-	-	-	9,633	157	20,331	-	30,121
Total Non Current Assets	**22,408**	**591,772**	**33,026**	**4,173**	**153,056**	**54,515**	**20,331**	**-**	**879,281**
TOTAL ASSETS	**155,268**	**752,150**	**243,787**	**55,034**	**228,297**	**102,488**	**38,674**	**3,942**	**1,579,640**
Current Liabilities									
Payables	84,962	100,227	21,953	3,806	14,394	7,020	2,714	-	235,076
Borrowings	-	176,548	-	-	-	-	-	-	176,548
Provisions	44,883	16,484	18,780	1,967	46,685	14,648	18,149	-	161,596
Other	1,254	920	1,090	239	43,852	2,955	2,351	-	52,661
Total Current Liabilities	**131,099**	**294,179**	**41,823**	**6,012**	**104,931**	**24,623**	**23,214**	**-**	**625,881**
Non Current Liabilities									
Borrowings	-	364,241	-	-	-	-	-	-	364,241
Superannuation	228,046	45,866	1,843	-	271,363	-	15,460		562,578
Other	493	392	464	102	373	84	-	-	1,908
Total Non Current Liabilities	**228,539**	**410,499**	**2,307**	**102**	**271,736**	**84**	**15,460**	**-**	**928,727**
TOTAL LIABILITIES	**359,638**	**704,678**	**44,130**	**6,114**	**376,667**	**24,707**	**38,674**	**-**	**1,554,608**
NET ASSETS	**(204,370)**	**47,472**	**199,657**	**48,920**	**(148,370)**	**77,781**	**-**	**3,942**	**25,032**

Administered Assets and Liabilities are disclosed in Note 26.

Department of Finance and Services
Service Group Statement - Assets and Liabilities for the Year Ended 30 June 2012

ASSETS AND LIABILITIES	Public Works 2012 $'000	Govt Services 2012 $'000	Fair Trading 2012 $'000	Policy and Strategy 2012 $'000	Land & Property Information 2012 $'000	Office of State Revenue 2012 $'000	Personnel Services 2012 $'000	Not Attributable 2012 $'000	Total 2012 $'000
Current Assets									
Cash and cash equivalents	42,975	131,873	187,945	33,691	55,405	33,021	-	19,576	504,486
Receivables	174,561	69,331	11,145	10,128	8,845	6,091	19,233	-	299,334
Inventories	103	5,221	97	21	110	-	-	-	5,552
Financial assets at fair value	-	-	18,289	-	-	-	-	-	18,289
Other	149	8,230	193	864	7,699	1,193	-	-	18,328
Total Current Assets	**217,788**	**214,655**	**217,669**	**44,704**	**72,059**	**40,305**	**19,233**	**19,576**	**845,989**
Non Current Assets									
Inventories	3,322	-	-	-	428	-	-	-	3,750
Property, plant and equipment	17,233	565,383	20,267	38,181	100,033	16,098	-	-	757,195
Intangibles	1,029	47,578	12,238	200	35,735	32,192	-	-	128,972
Other	1,212	963	1,141	250	8,257	303	38,236	-	50,362
Total Non Current Assets	**22,796**	**613,924**	**33,646**	**38,631**	**144,453**	**48,593**	**38,236**	**-**	**940,279**
TOTAL ASSETS	**240,584**	**828,579**	**251,315**	**83,335**	**216,512**	**88,898**	**57,469**	**19,576**	**1,786,268**
Current Liabilities									
Payables	161,928	73,859	19,833	2,816	11,295	4,744	9,157	-	283,632
Borrowings	-	200,426	-	-	-	-	-	-	200,426
Provisions	60,212	17,448	15,230	1,774	52,329	11,992	18,526	-	177,511
Other	2,675	2,246	2,428	531	38,586	870	-	-	47,336
Total Current Liabilities	**224,815**	**293,979**	**37,491**	**5,121**	**102,210**	**17,606**	**27,683**	**-**	**708,905**
Non Current Liabilities									
Borrowings	-	354,597	-	-	-	-	-	-	354,597
Superannuation	155,295	123,323	146,161	31,973	373,665	-	29,786	-	860,203
Other	246	195	232	288	-	98	-	-	1,059
Total Non Current Liabilities	**155,541**	**478,115**	**146,393**	**32,261**	**373,665**	**98**	**29,786**	**-**	**1,215,859**
TOTAL LIABILITIES	**380,356**	**772,094**	**183,884**	**37,382**	**475,875**	**17,704**	**57,469**	**-**	**1,924,764**
NET ASSETS	**(139,772)**	**56,485**	**67,431**	**45,953**	**(259,363)**	**71,194**	**-**	**19,576**	**(138,496)**

Department of Finance and Services
Summary of Compliance with Financial Directives

	2013				2012			
	Recurrent		Capital		Recurrent		Capital	
	Appropriation $'000	Net Claim on Consolidated Fund $'000	Appropriation $'000	Net Claim on Consolidated Fund $'000	Appropriation $'000	Net Claim on Consolidated Fund $'000	Appropriation $'000	Net Claim on Consolidated Fund $'000
Original Budget Appropriation / Expenditure								
• Appropriation Act	371,006	342,406	19,929	13,133	515,878	515,724	28,409	24,890
• Section 24 PF&AA - transfer of functions between Entities	(9,936)	-	-	-	-	-	-	-
• Transfer of Land & Housing Corporation funding	-	-	-	-	(134,617)	(134,617)	-	-
	361,070	**342,406**	**19,929**	**13,133**	**381,261**	**381,107**	**28,409**	**24,890**
Other Appropriations / Expenditure								
• Additional Appropriations								
• S31 Appropriation Act	81							
• S21A PF&AA – special appropriation					(154)			
• Treasurer's Advance	-	-	-	-	-	-	-	-
• Section 22 - expenditure for certain works and services								
• Section 26 PF&AA - Commonwealth specific purpose payments	(657)							
• Other								
	(576)	**-**	**-**	**-**	**(154)**	**-**	**-**	**-**
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	**360,494**	**342,406**	**19,929**	**13,133**	**343,517**	**381,107**	**28,409**	**24,890**
Notional Adjustment - transfer in of the Land and Housing Corporation						134,617		
Amount drawn down against Appropriation	**-**	**347,118**	**-**	**13,133**	**-**	**518,118**	**-**	**30,322**
Liability to Consolidated Fund	**-**	**(4,712)**	**-**	**-**	**-**	**(2,394)**	**-**	**(5,432)**

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).
The "Liability to Consolidated Fund" is the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund" including transfer payments (refer Note 16)).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Department of Finance and Services is a NSW government entity. The department is a not-for-profit entity as profit is not its principal objective. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

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
  - Metropolitan Water
  - Information and Communications Technology
  - Office of Finance
- Land & Property Information
- Office of State Revenue
- Personnel Services
- Corporate Units.

During 2012/13, an Administrative Order effective 12 September 2012 transferred NSW Industrial Relations and Long Service Corporation to NSW Treasury. The NSW Telecommunications Authority (Telco) was also separated from the Department from 1 July 2012, now reporting as an independent entity. Telco does not employ staff and now has a Personnel Services arrangement with the Department (See Note 5 and 18).

At 30 June 2012 the Department had two controlled entities, the NSW Telecommunications Authority and ac3. At 30 June 2013 the Department had no controlled entities and due to the immateriality of both previous controlled entities, comparative columns were not considered necessary in the financial statements.

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.

The financial statements for the year ended 30 June 2013 have been authorised for issue by the Director General on 19 September 2013.

(b) Basis of Preparation

The Department of Finance and Services' financial statements are general purpose financial statements which have been prepared on a going concern basis in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* (PFAA) 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 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.

(c) Statement of Compliance

The departments 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 entity'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.

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 Profit and Loss and Other Comprehensive Income, Statement of Summary of Compliance with Financial Directives and the total appropriations is disclosed in Note 3(a).

- 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 16 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 26 "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 department resources.

Fee income from property valuations, the supply of property information and the registration of land title documents and plans is recognised on completion of the service.

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 Profit and Loss and Other 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 2013 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 net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, 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, AASB 136 *Impairment of Assets* effectively is not applicable. 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 2012/13 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%
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%

The depreciation rates remain unchanged from the previous financial year.

(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, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments at the inception of the lease. 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 Profit and Loss and Other 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.

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 at 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 cost is the cost the department 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 8).

(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 in other comprehensive income until disposed or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in the net result for the year. However, interest calculated using the effective interest method and dividends are recognised in the net result for the year.

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 net result 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 net result 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 net result for the year.

Any reversals of impairment losses are reversed through the net result 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 24. 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 but are disclosed in Note 24.

(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 Profit and Loss and Other 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.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits. Market yields on government bonds of 3.76% are used to discount long-term annual leave.

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 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 12/06) 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) Revaluation surplus

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 (eg 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) Transfer to Crown Finance Entity

A transfer of $44.6 million ($37.6 million for 2011/12) 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 16).

(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) Budget Amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the *Public Finance and Audit Act 1983* where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

(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 2012 for all amounts reported in the financial statements.

Prior year figures include 12 months information for NSW Industrial Relations, Long Service Corporation and the NSW Telco Authority.

(q) New Australian Accounting Standards Issued But Not Effective

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

Accounting Standard/Interpretation	Effective
• AASB 9 and AASB 2010-7 regarding financial instruments	2013/14
• AASB 1053 and AASB 2010-2 regarding differential reporting	2013/14
• AASB 2010-10 regarding removal of fixed dates for first time adopters	2013/14
• AASB 2011-2 regarding the Trans Tasman Convergence project – RDR	2013/14
• AASB 2011-4 removing individual key management personnel disclosures	2013/14
• AASB 2011-6 regarding RDR requirements extending relief from consolidation, the equity method and proportionate consolidation	2013/14
• AASB 10 Consolidated financial statements	2013/14
• AASB 11 Joint arrangements	2013/14
• AASB 12 Disclosures of interests in other entities	2013/14
• AASB 13 and AASB 2011-8 regarding fair value measurement	2013/14
• AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits	2013/14
• AASB 127 Separate financial statements	2013/14
• AASB 128 Investments in associates and joint ventures	2013/14
• AASB 2011-7 regarding consolidation and joint arrangements	2013/14
• AASB 2011-12 regarding Interpretation 20	2013/14
• AASB 2012-1 regarding fair value measurement - RDR requirements	2013/14
• AASB 2012-2 regarding disclosures - offsetting financial assets and financial liabilities	2013/14
	2013/14
• AASB 2012-3 regarding offsetting financial assets and financial liabilities	2013/14
• AASB 2012-4 regarding government loans - first time adoption	2013/14
• AASB 2012-5 regarding annual improvements 2009-2-11 cycle	2013/14
• AASD 2012-7 regarding RDR	2013/14
• AASB 2012-9 regarding withdrawal of Interpretation 1039	2013/14
• AASB 2012-10 regarding transition guidance and other amendments	2013/14
• AASB 2012-11 regarding RDR requirements and other amendments	

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

	2013 $'000	2012 $'000
Salaries and wages (including recreation leave)	492,190	520,274
Superannuation - defined benefit plans	(20,330)	(5,536)
Superannuation - defined contribution plans	31,064	34,855
Long service leave	2,545	41,651
Workers compensation insurance	5,058	6,441
Payroll tax and fringe benefits tax	32,491	33,840
Voluntary redundancy	28,426	24,795
	571,444	**656,320**

Employee related expense of $6.4 million (2011/12 $7 million) have been capitalised in various capital works and therefore is excluded from the above.

(b) Other Operating Expenses

	2013 $'000	2012 $'000
Auditor's remuneration		
- audit of the financial statements	1,071	1,181
Cost of sales	44,071	37,971
Government Radio Network operating expenses	-	19,578
Advertising	1,101	1,491
Bad debts expense	(65)	414
Operating lease rental expense - minimum lease payments	37,310	38,027
Maintenance	5,046	5,636
Insurance	2,151	2,043
Valuation services contractors	20,702	18,544
Fees and charges	48,120	64,925
Postage and telephone	7,081	7,224
Printing, stationery and stores	8,030	8,235
Consultants	5,804	5,162
Other contractors	22,528	32,887
Books and periodicals	1,393	1,675
Travel and motor vehicle expenses	2,094	3,695
Computer expenses	38,416	38,694
Minor equipment	1,131	1,436
Training	3,798	5,355
Other	7,553	5,834
	257,335	**300,007**

	2013 $'000	2012 $'000
Reconciliation - Total Maintenance		
Maintenance expense, as above	5,046	5,636
Employee related maintenance expenses included in Note 2(a)*	-	-
Total maintenance expenses included in Notes 2(a) and 2(b)	**5,046**	**5,636**

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

(c) Depreciation and Amortisation Expense

	2013 $'000	2012 $'000
Depreciation		
- Buildings	1,597	1,748
- Plant and equipment	17,465	23,692
- Motor Vehicles	135,185	142,157
- Leasehold Improvements	5,916	6,552
	160,163	**174,149**
Amortisation		
- Intangible Assets	30,852	29,968
	191,015	**204,117**

(d) Grants and Subsidies

	2013 $'000	2012 $'000
Tenancy Advice and Advocacy Program	4,689	4,632
Grants to Government Property NSW	28,464	26,545
Metro Water Grants	170,133	163,954
Grants to Teacher Housing Authority	5,705	5,583
Grants to State Records Authority	6,380	6,712
Jobs Action Plan Payroll Tax Rebates	10,905	-
Other Grants	17,254	20,959
	243,530	**228,385**

(e) Finance Costs

	2013 $'000	2012 $'000
Interest on borrowings	**31,987**	**32,275**

(f) Book Value of Motor Vehicles Sold

	2013 $'000	2012 $'000
Book value of StateFleet motor vehicles sold	**107,148**	**118,775**

(g) Transfers to Crown Finance Entity

	2013 $'000	2012 $'000
StateFleet Motor Vehicle Reserve	64,962	-
Contributions to Crown Finance Entity	44,594	37,590
	109,556	**37,590**

(h) Other Expenses

	2013 $'000	2012 $'000
Compensation fund payments	10,459	4,867
Other minor expenses	(1,346)	1,857
	9,113	**6,724**

3. REVENUE

(a) Appropriations

	2013 $'000	2012 $'000
Recurrent appropriations		
Total recurrent draw-downs from Treasury (per Summary of Compliance)	347,118	383,501
Less: Liability to Consolidated Fund (per Summary of Compliance)	(4,712)	(2,394)
	342,406	**381,107**
Comprising:		
Recurrent appropriations (per Statement of Comprehensive Income)	342,406	381,107
Transfer Payments	-	-
	342,406	**381,107**

	2013 $'000	2012 $'000
Capital appropriations		
Total capital draw-downs from Treasury (per Summary of Compliance)	13,133	30,322
Less: Liability to Consolidated Fund (per Summary of Compliance)	-	(5,432)
	13,133	**24,890**
Comprising:		
Capital appropriations (per Statement of Comprehensive Income)	13,133	24,890
Transfer Payments	-	-
	13,133	**24,890**

(b) Sale of Goods and Services

	2013 $'000	2012 $'000
Mapping, spatial, surveying and related services	3,959	3,435
Project and asset management services	167,146	174,706
Titling	146,765	140,619
Valuation	16,493	17,885
Procurement Management Fee	41,898	46,338
Land and Housing Corporation Fee Recovery	134,497	133,529
Facilities Management Fee	6,883	7,010
Penalty notice fees	24,033	25,811
Business and personnel services	104,159	133,774
Motor vehicle leasing	185,355	192,690
Administrative assistance	29,756	25,826
Government Radio Network services	-	36,663
Register of Encumbered Vehicles services	19	6,948
Other goods and services	31,922	31,927
Total Sale of Goods and Services	**892,885**	**977,161**

(c) Investment Revenue

	2013 $'000	2012 $'000
Interest on investments	6,096	11,355
Interest on bank accounts	8,946	11,537
	15,042	**22,892**

(d) Retained Taxes, Fees and Fines

	2013 $'000	2012 $'000
Statutory Interest	39,751	40,208
Building Licensing Fees	8,279	8,701
Owner Builder Permit Fees	1,357	1,266
Plumbing Inspection Fees	6,047	3,940
Motor Dealers Compensation Fees	804	855
Fines / Penalties	23	35
Other Fees	5,379	4,557
	61,640	**59,562**

(e) Grants and Contributions

	2013 $'000	2012 $'000
Contribution from Rental Bond Board(i)	13,530	13,444
Metropolitan Water CSO Grants(ii)	3,620	5,142
NSW Treasury Voluntary Redundancy Grants	10,103	-
NSW Treasury Debt Recovery Grants	5,440	-
Other	70	1,203
	32,763	**19,789**

(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.

(ii) Community Service Obligation Grant Programs administered by Metropolitan Water.

(f) 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 entities:

	2013 $'000	2012 $'000
Superannuation - defined benefit	4,968	6,456
Long service leave	2,567	16,844
Payroll tax	240	338
	7,775	**23,638**

(g) Proceeds of Sale of StateFleet Motor Vehicles

	2013 $'000	2012 $'000
Gross proceeds of sale of motor vehicles	128,576	150,012
Less: Selling costs	(2,994)	(3,297)
	125,582	**146,715**

(h) Other Revenue

	2013 $'000	2012 $'000
Other	**5,406**	**3,136**

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

	2013 $'000	2012 $'000
Gain/(loss) on disposal of property, plant & equipment and intangibles (other than StateFleet Motor Vehicles)		
Proceeds from disposal	605	3,688
Written down value of assets disposed	(6,237)	(1,650)
Net gain/(loss) on disposal of property, plant & equipment and intangibles (other than StateFleet Motor Vehicles)	**(5,632)**	**2,038**

(b) OTHER GAINS/(LOSSES)

	2013 $'000	2012 $'000
Increase in allowance for impairment		
Sale of goods and services	(2,223)	(954)
Retained taxes, fees, fines and Other	(3,504)	(3,163)
Loss on investments	-	(1,515)
Net other gains/(losses)	**(5,727)**	**(5,632)**

5. 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 the delivery of building and engineering projects, provided to government agencies on a 'fee for service basis', including the provision of planning and building, design services, managing construction projects and finding sustainable solutions to the problems of capturing, treating and distributing water.

3. Government Services

This service group is responsible for providing services to NSW Government agencies in the areas of procurement, motor vehicle fleet, information technology, human resources, finance and business services. In addition, this service group plays a pivotal role in supporting agencies in expenditure savings, information technology service delivery and corporate and share services reform.

4. Finance, Policy and Strategy

This service group covers the development of government ICT and procurement policy, and administration of the Office of Finance and Metropolitan Water.

5. Office of State Revenue

This service group covers revenue administration services, fines management, debt management, and benefit administration services, and the provision of relevant information and education to ensure people are aware of their liabilities and entitlements. This service group also covers the implementation of targeted compliance programs to ensure tax is properly paid 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 public on a commercial basis. These services underpin the state's property market, and include the statutory functions of the Registrar General, Surveyor General and Valuer General.

7. Personnel Services

This service group covers providing personnel services to Government Property NSW, Teachers Housing Authority, Waste Assets Management Corporation, State Records Authority, NSW Telecommunications Authority, the Board of Surveying and Spatial Information and Housing NSW staff involved in asset management (known as Land and Housing Corporation (LAHC)).

Long Service Leave Corporation staff and NSW Industrial Relations were transferred to NSW Treasury effective 12 September 2012 in accordance with the Administrative Order.

Following the establishment of the governing Board, the NSW Telecommunications Authority (Telco) was separated from the Department effective 1 July 2012.

Details of Assets and Liabilities transferred are disclosed in Note 18. Details of expenses and revenues as a result of transfers are as follows:

1) Transfer of the staff of the Long Service Corporation from the Department of Finance and Services to NSW Treasury resulted in transfer of budgeted employee related expenses of $5.7 million and personnel services revenue of $5.7 million. The transfer resulted in a nil effect on the net result of the department.
2) Transfer of NSW Industrial Relations from the Department of Finance and Services to NSW Treasury resulted in a transfer of budgeted $14.4 million in expenses, $2.8 million of revenue and $10.9 million of consolidated funding. The transfer resulted in a negative $59 thousand net impact on the budgeted net result of the department.
3) NSW Telecommunications Authority reporting as an independent entity resulted in the transfer of budgeted $36.3 million of non-employee operating expenses, and $34.0 million of goods and services revenue. The transfer resulted in a positive budget net impact of $2.4 million.

6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2013 $'000	2012 $'000
Cash at bank and on hand	150,174	163,353
Hour Glass Cash Facility	93,451	140,604
Motor vehicle reserve	29,706	74,269
Special purpose funds (refer Note 25)	135,752	126,260
	409,083	**504,486**

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:

	2013 $'000	2012 $'000
Cash (per Statement of Financial Position)	409,083	504,486
Closing cash and cash equivalents (per Statement of Cash Flows)	409,083	504,486

Refer Note 31 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

	2013 $'000	2012 $'000
Sale of goods and services	142,504	179,251
Less: Allowance for impairment	(1,879)	(758)
	140,625	**178,493**
Retained taxes, fees and fines	14,944	9,466
Less: Allowance for impairment	(10,687)	(7,188)
	4,257	**2,278**
Other	114	359
	114	**359**
Accrued bank interest	4,078	5,490
Long service leave reimbursable by the Crown Entity	47,689	56,713
Work in Progress(i)	7,488	10,342
Employee provisions recoverable from other agencies	10,792	13,321
Accrued income	22,749	21,688
Grant receivable from the Crown Entity	10,103	-
Other	11,717	10,650
	259,612	**299,334**

Movement in the allowance for impairment	2013 $'000	2012 $'000
Sale of goods and services - allowance for impairment		
Balance at July 1	758	979
Amounts written off during the year	(18)	(1,167)
Amounts recovered during the year	(1,084)	-
Increase/(decrease) in allowance recognised in profit or loss	2,223	946
Balance at 30 June	**1,879**	**758**
Retained taxes, fees and fines - allowance for impairment		
Balance at July 1	7,188	4,288
Amounts written off during the year	(5)	(65)
Increase/(decrease) in allowance recognised in profit or loss	3,504	2,965
Balance at 30 June	**10,687**	**7,188**

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 31.

(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 $1.7 million ($3.7 million in 2012). At 30 June 2013, work in the ground was valued at $52.6 million ($56.4 million 2012) and this accrual is reflected in current liabilities (refer Note 13).

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:

	2013 $'000	2012 $'000
Gross work in progress as at 30 June	973,440	586,732
Billings to date	(964,236)	(572,704)
Net work in progress	9,204	14,028
Allowance for uncollectable work in progress	(1,716)	(3,686)
Work in progress as per Statement of Financial Position	**7,488**	**10,342**

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 contractors' claims. The Standard requires advances received from clients to be disclosed as a liability. Cash received against advance claims is estimated to be $13.2 million as at 30 June 2013 ($6.966 million as at June 2012).

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

	2013 $'000	2012 $'000
Advance Claims as per Statement of Financial Position (refer Note 13)	15,437	24,195

8. CURRENT / NON-CURRENT ASSETS - INVENTORIES

	2013 $'000	2012 $'000
Current		
Finished goods - at cost	366	413
Motor vehicle inventory (ref Note 1(i))	3,598	5,139
	3,964	**5,552**
Non-current		
Finished goods - at cost	**3,410**	**3,750**

9. CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE

	2013 $'000	2012 $'000
Financial assets		
TCorp Hour-Glass investment facilities	**15,251**	**18,289**

Refer Note 31 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

10. CURRENT / NON-CURRENT ASSETS - OTHER

	2013 $'000	2012 $'000
Current Assets		
Prepayments	8,783	13,685
Torrens Assurance Fund	(276)	-
Investments (iii)	3,942	-
Other	-	4,643
	12,449	**18,328**
Non-Current Assets		
Personnel Services receivables	20,488	38,539
Investments (i) & (ii)	9,633	11,823
	30,121	**50,362**

(i) The Department represents the NSW Government on the Board of Public Sector Mapping Authority Ltd (PSMA). 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 8,915,423 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. The investment is recognised at $9.633 million, which includes a revaluation gain of $0.699 million.

(iii) This represents the value of the shareholding in the Australian Centre for Advanced Computing and Communications Pty Ltd (ac3).

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

As at 30 June	2013 $'000	2012 $'000
Land and Buildings		
At fair value	110,254	112,448
Accumulated depreciation	(577)	(3,894)
	109,677	**108,554**
Plant and Equipment		
At fair value	157,256	236,576
Accumulated depreciation	(108,681)	(153,638)
	48,575	**82,938**
Motor Vehicles		
At fair value	731,577	743,931
Accumulated depreciation	(209,353)	(207,536)
	522,224	**536,395**
Leasehold Improvements		
At fair value	64,355	51,015
Accumulated depreciation	(27,626)	(21,707)
	36,729	**29,308**
Total Property, Plant and Equipment at Net Carrying Amount	**717,205**	**757,195**

Reconciliation

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	Motor Vehicles $'000	Leasehold Improvements $'000	Total $'000
2013					
Carrying amount at start of year	108,554	82,938	536,395	29,308	757,195
Assets transferred on administrative restructure	-	58	-	-	58
Additions	1,013	9,430	226,812	14,014	251,269
Revaluation increments	1,844	-	-	-	1,844
Disposals	(137)	(469)	(107,133)	-	(107,739)
Depreciation expense	(1,597)	(17,465)	(135,185)	(5,916)	(160,163)
Transfer Out (other Agencies)	-	(34,130)	-	-	(34,130)
Reclassifications / write off	-	8,213	1,335	(677)	8,871
Carrying amount at end of year	**109,677**	**48,575**	**522,224**	**36,729**	**717,205**

Year Ended 30 June	Land and Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Leasehold Improvements $'000	Total $'000
2012					
Carrying amount at start of year	109,184	86,322	535,576	25,629	756,711
Additions	1,118	17,078	264,089	3,153	285,438
Disposals	-	33	(118,775)	-	(118,742)
Depreciation expense	(1,748)	(23,692)	(142,157)	(6,552)	(174,149)
Reclassifications / write off	-	3,197	(2,338)	7,078	7,937
Carrying amount at end of year	**108,554**	**82,938**	**536,395**	**29,308**	**757,195**

12. INTANGIBLE ASSETS

As at 30 June	2013 $'000	2012 $'000
Software		
Gross carrying amount	379,400	350,636
Accumulated amortisation	(250,855)	(221,664)
Net carrying amount	**128,545**	**128,972**

Reconciliation

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

Year Ended 30 June	Software $'000	Total $'000
2013		
Carrying amount at start of year	128,972	128,972
Assets transferred on administrative restructure	(59)	(59)
Additions	44,034	44,034
Amortisation	(30,852)	(30,852)
Reclassifications / write off	(13,550)	(13,550)
Carrying amount at end of year	**128,545**	**128,545**

Year Ended 30 June	Software $'000	Total $'000
2012		
Carrying amount at start of year	115,444	115,444
Additions	55,863	55,863
Amortisation	(29,968)	(29,968)
Reclassifications / write off	(12,367)	(12,367)
Carrying amount at end of year	**128,972**	**128,972**

13. CURRENT LIABILITIES - PAYABLES

	2013 $'000	2012 $'000
Accrued salaries, wages and on-costs	15,481	35,907
Creditors	129,926	141,529
Advance claims (refer Note 7)	15,437	24,195
Amounts due to contractors for work in progress (refer Note 7)	52,637	56,446
Prepaid income	12,252	-
Other	9,343	25,555
	235,076	**283,632**

Refer Note 31 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

14. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS

	2013 $'000	2012 $'000
Current Liabilities		
TCorp borrowings	176,548	200,426
	176,548	**200,426**
Non-Current Liabilities		
TCorp borrowings	364,241	354,597
Other borrowings	-	-
	364,241	**354,597**
Total Borrowings	**540,789**	**555,023**

The Department has a loan facility with TCorp with a limit of $650 million 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 $540 million (parent entity) was utilised as at 30 June 2013 ($555 million, 30 June 2012).

Refer Note 31 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

15. CURRENT LIABILITIES - PROVISIONS

	2013 $'000	2012 $'000
Employee benefits and related on-costs		
Recreation leave	42,748	47,661
Long service leave	83,117	97,658
Other on-costs	25,128	26,160
	150,993	**171,479**
Other Provisions		
Provision for outstanding claims	5,531	4,051
Other minor provisions	5,072	1,981
	10,603	**6,032**
Total Current Provisions	**161,596**	**177,511**
Aggregate employee benefits and related on-costs		
Provisions - current	150,993	171,479
Accrued salaries, wages and on-costs (Note 13)	15,481	35,907
	166,474	**207,386**
Employee benefits expected to be settled within 12 months from the reporting date		
Recreation leave	36,802	43,237
Long service leave	11,406	19,741
	48,208	**62,978**
Employee benefits expected to be settled in more than 12 months from the reporting date		
Recreation leave	5,946	4,424
Long service leave	71,711	77,917
	77,657	**82,341**

	2013 $'000	2012 $'000
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	4,051	2,615
Increase/(decrease) in provision from remeasurement	1,480	1,436
Carrying amount at end of financial year	**5,531**	**4,051**
Other provisions		
Carrying amount as at beginning of the year	1,981	256
Increase/(decrease) in provision from remeasurement	3,091	1,725
Carrying amount at end of financial year	**5,072**	**1,981**

16. CURRENT / NON-CURRENT LIABILITIES - OTHER

	2013 $'000	2012 $'000
Current Liabilities		
Contribution to Crown Finance Entity	44,594	37,590
Excess Consolidated Fund draw down	4,712	7,826
	49,306	**45,416**
Other creditors and accruals	139	269
Other	3,216	1,651
	3,355	**1,920**
	52,661	**47,336**
Non Current Liabilities		
Defined Benefit Superannuation Schemes	562,578	860,203
Other	1,908	1,059
	564,486	**861,262**

17. DEFINED BENEFIT SUPERANNUATION SCHEMES

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 years 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 2013 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Present value of defined benefit obligations at beginning of the year *	200,907	56,903	1,823,365	2,081,175
Current service cost	5,499	2,286	4,621	12,406
Interest cost	5,829	1,620	54,809	62,258
Contributions by fund participants	2,668	0	6,254	8,922
Actuarial losses	(12,651)	(3,850)	(148,764)	(165,265)
Benefits paid	(29,651)	(11,447)	(55,492)	(96,590)
Present value of defined benefit obligations at end of the year	**172,601**	**45,512**	**1,684,793**	**1,902,906**

* Long Service Corporation was included in the Department's 2012 comparative. The opening balances for 2013, therefore will not agree to the closing balances for 2012.

Comparative information as at 30 June 2012 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Present value of defined benefit obligations at beginning of the year	183,134	55,454	1,353,653	1,592,241
Current service cost	5,269	2,412	5,612	13,293
Interest cost	9,253	2,754	70,010	82,017
Contributions by fund participants	2,859	-	7,888	10,747
Actuarial (gains)/losses	22,813	5,092	473,705	501,610
Benefits paid	(19,531)	(8,091)	(69,047)	(96,669)
Present value of defined benefit obligations at end of the year	**203,797**	**57,621**	**1,841,821**	**2,103,239**

Reconciliation of the Fair Value of Fund Assets

A reconciliation of the fair value of fund assets for the financial year to 30 June 2013 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Fair value of fund assets at beginning of the year	153,536	45,403	1,030,142	1,229,081
Expected return on fund assets	12,381	3,598	86,026	102,005
Actuarial (losses)	5,029	3,260	81,364	89,653
Employer contributions	1,707	805	4,745	7,257
Contributions by fund participants	2,668	0	6,254	8,922
Benefits paid	(29,651)	(11,447)	(55,492)	(96,590)
Fair value of fund assets at end of the year	**145,670**	**41,619**	**1,153,039**	**1,340,328**

Comparative information as at 30 June 2012 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Fair value of fund assets at beginning of the year	169,237	53,042	1,093,290	1,315,569
Expected return on fund assets	13,972	4,326	91,921	110,219
Actuarial gains/(losses)	(12,278)	(4,364)	(90,080)	(106,722)
Employer contributions	2,223	1,141	6,530	9,894
Contributions by fund participants	2,858	-	7,888	10,746
Benefits paid	(19,531)	(8,089)	(69,048)	(96,668)
Fair value of fund assets at end of the year	**156,481**	**46,056**	**1,040,501**	**1,243,038**

Reconciliation of Assets and Liabilities

A summary of assets and liabilities recognised in the Statement of Financial Position as at 30 June 2013 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Present value of partly funded defined benefit obligation at end of year	172,601	45,512	1,684,793	1,902,906
Fair value of fund assets at end of year	(145,670)	(41,619)	(1,153,039)	(1,340,328)
Sub Total	26,931	3,893	531,754	562,578
Adjustment for limitation on net asset				
Net liability (refer Note 16)	**26,931**	**3,893**	**531,754**	**562,578**

Comparative information as at 30 June 2012 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Present value of partly funded defined benefit obligation at end of year	203,799	57,622	1,841,820	2,103,241
Fair value of fund assets at end of year	(156,482)	(46,057)	(1,040,499)	(1,243,038)
Sub Total	47,317	11,565	801,321	860,203
Adjustment for limitation on net asset	-	-	-	-
Net liability (refer Note 16)	**47,317**	**11,565**	**801,321**	**860,203**

Expense Recognised in Comprehensive Income Statement

Total expense recognised in Comprehensive Income Statement for the period 1 July 2012 to 30 June 2013 is summarised below:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Current service cost	5,499	2,286	4,621	12,406
Interest cost	5,828	1,621	54,809	62,258
Expected return on fund assets (net of expenses)	(12,380)	(3,599)	(86,026)	(102,005)
Sub Total	(1,053)	308	(26,596)	(27,341)
Employer Contributions	-	-	-	-
Expense/(income) recognised	**(1,053)**	**308**	**(26,596)**	**(27,341)**

Comparative information as at 30 June 2012 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Current service cost	5,269	2,413	5,612	13,294
Interest cost	9,253	2,755	70,010	82,018
Expected return on fund assets (net of expenses)	(13,971)	(4,327)	(91,920)	(110,218)
Sub Total	551	841	(16,298)	(14,906)
Employer Contributions	-	-	-	-
Expense/(income) recognised	**551**	**841**	**(16,298)**	**(14,906)**

Amount Recognised in Other Comprehensive Income

Total amount recognised in Other Comprehensive Income during 2013 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Actuarial losses recognised in year	(17,680)	(7,110)	(230,127)	(254,917)
Adjustment for limit on net asset	-	-	-	-
	(17,680)	**(7,110)**	**(230,127)**	**(254,917)**

Comparative information as at 30 June 2012 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Actuarial losses/(gains) recognised in year	35,090	9,455	563,786	608,331
Adjustment for limit on net asset	(1,376)	(276)	-	(1,652)
	33,714	**9,179**	**563,786**	**606,682**

Cumulative Amount Recognised in Other Comprehensive Income

Cumulative amount of actuarial gain and losses recognised in the Statement of Comprehensive Income during 2012/13 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Cumulative amount of actuarial losses	25,553	4,468	547,358	577,379
Cumulative adjustment for limitation on net asset	(1)	-	-	(1)

Comparative information as at 30 June 2012 is as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Cumulative amount of actuarial losses	43,233	11,578	777,485	832,296
Cumulative adjustment for limitation on net asset	(1)	-	-	(1)

Fund Assets

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

	30 June 2013	30 June 2012
Australian equities	30.4%	28.0%
Overseas equities	26.1%	23.7%
Australian fixed interest securities	6.9%	4.9%
Overseas fixed interest securities	2.2%	2.4%
Property	8.3%	8.6%
Cash	13.1%	19.5%
Other	13.0%	12.9%

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 2013 is provided below:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Actual return on fund assets	24,553	6,859	172,067	203,479

Comparative figures for the year ended 30 June 2012 are as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Actual return on fund assets	(16)	(37)	331	278

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 2013	30 June 2012
Salary increase rate (excluding promotional increases)	2.25% per annum	2.5% 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	3.8% per annum	3.06% per annum

c) ***Demographic Assumptions***

The demographic assumptions at 30 June 2013 are those that were used in the 2012 triennial actuarial valuation. The triennial review report is 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 fourth reporting period for the Department of Finance and Services, only the current and prior three years information is provided below:

2012/13	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Present value of defined benefit obligation	172,601	45,512	1,684,793	1,902,906
Fair value of fund assets	(145,670)	(41,619)	(1,153,039)	(1,340,328)
Deficit in Fund	26,931	3,893	531,754	562,578
Experience adjustments - fund liabilities	(12,650)	(3,850)	(148,764)	(165,264)
Experience adjustments - fund assets	(5,029)	(3,260)	(81,364)	(89,653)

2011/12	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Present value of defined benefit obligation	203,797	57,621	1,841,821	2,103,239
Fair value of fund assets	(156,481)	(46,056)	(1,040,501)	(1,243,038)
Deficit in Fund	47,317	11,565	801,321	860,203
Experience adjustments - fund liabilities	22,813	5,092	473,705	501,610
Experience adjustments - fund assets	12,278	4,363	90,081	106,722

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)
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)
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	1,705	952	5,135	7,792

Funding Arrangements for Employer Contributions

a) ***Surplus/(Deficit)***

The following is a summary of the 30 June 2013 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	148,107	38,846	1,017,623	1,204,576
Net market value of Fund assets	(145,670)	(41,619)	(1,153,039)	(1,340,328)
Net (surplus)/deficit	2,437	(2,773)	(135,416)	(135,752)

Comparative figures as at 30 June 2012 are as follows:

	SASS $'000	SANCS $'000	SSS $'000	Total $'000
Accrued benefit	169,341	49,295	1,003,386	1,222,022
Net market value of Fund assets	(156,481)	(46,057)	(1,040,500)	(1,243,038)
Net (surplus)	12,860	3,238	(37,114)	(21,016)

b) ***Contribution Recommendations***

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
Multiple of member contributions	Percentage member salary	Multiple of member contributions
0.98%	1.30%	0.83%

During 2012/13 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 2013/14 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 adopted for the 2012 actuarial review of the Fund were:

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	2.7% 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.

18. INCREASE/DECREASE IN NET ASSETS FROM EQUITY TRANSFERS

Assets and liabilities transferred to the NSW Telecommunications Authority (Telco) from the Department of Finance and Services on 1 July 2012 with respect to Telco are summarised as assets $61.0 million and liabilities $2.7 million. The transfer had a $58.3 million impact on net assets. Further details of the Telco transfer are set out in Note 5.

Assets and liabilities transferred to NSW Treasury from the Department of Finance and Services on 12 September 2012 with respect to NSW Industrial Relations and Long Service Corporation are summarised as assets $1.6 million and liabilities $1.4 million. The transfer had a $0.2 million impact on net assets. Further details of the NSW Industrial Relations transfer are set out in Note 5.

19. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

	2013 $'000	2012 $'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	12,360	6,551
Later than one year and not later than five years	-	-
Later than five years	-	-
Total (including GST)	**12,360**	**6,551**

(b) Operating Lease Commitments

	2013 $'000	2012 $'000
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	45,436	40,020
Later than one year and not later than five years	144,501	142,556
Later than five years	121,032	178,806
Total (including GST)	**303,590**	**361,382**

The total commitments above include input tax credits of $29.4 million ($33.5 million in 2012) 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 Government Property NSW. 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.

Data Centre Lease

As part of the Data Centre Reform Project the NSW Government entered into an Agreement for Lease and Service Deed with a third party contractor on 25 May 2012 to provide data capacity across the government sector. The Department of Finance and Services will manage this lease commitment on behalf of the government. The total commitment over a 10-year period starting 1 July 2013 is $142.6 million. The cost of this commitment will be offset by Fees for Service recovered from other government agencies mandated to utilise the load capacity of the Data Centres.

20. LEASE REVENUE COMMITMENTS

	2013 $'000	2012 $'000
Aggregate lease revenue for StateFleet motor vehicles:		
Not later than one year	148,316	148,342
Later than one year and not later than five years	121,220	120,396
Later than five years	85	31
Total (including GST)	**269,621**	**268,769**

The above lease commitment includes GST of $24.5 million ($24.4 million in 2012) 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.

21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Torrens Assurance Fund, a special deposit account operated by the department (see Note 25.), has 40 outstanding claims. The department estimates the amount payable as a result of these claims to be $10.8 million. The department is not aware of any further contingent liabilities at the date of these financial statements (Nil 30 June 2012).

	2013 $'000	2012 $'000
Assets		
Bank guarantees	6,645	6,248

(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.

22. BUDGET REVIEW

Net result

Actual net result for the Department for 2012/13 is a deficit of $35.9 million compared to the budgeted surplus of $1.0 million, an unfavourable variance of $36.9 million. This unfavourable result is mainly due to the following major items:

- Transfer payment to NSW Treasury ($64.9 million) from the State Fleet T4 Reserve
- Unfavourable variance of ($10.4 million) from the profit on sale of motor vehicles
- Mainly due to write off of plant and equipment and intangible assets reassessed as no longer in use ($5.6 million)
- Increase in the provision for doubtful debts mainly due to impairment of compensation payment recoveries raised ($5.7 million).

These unfavourable variances have been offset by defined benefit superannuation and long service leave valuation gains across various Divisions of the department ($49 million).

Assets and Liabilities

The Department's total assets as at 30 June 2013 were $1,580 million compared to the original budget of $1,792 million. The decrease is mainly due to the variance in cash and cash equivalents and receivables ($152 million). Cash decreased due to the State Fleet T4 payment to Treasury ($64.9 million) and the decrease in receivables is offset by a decrease in payables. Total liabilities were $146 million higher than the original budget of $1,409 million, mainly due to a significant increase in unfunded superannuation liabilities in 2011/12, offset by the decrease in 2012/13 (net $352 million increase in superannuation liabilities) offset by lower than budgeted payables and provisions. Payables have decreased in the ordinary course of business (receivables correspondingly lower) and provisions have decreased due to valuation gains in long service leave obligations.

Cash Flows

Net decrease in cash during the year is $71.0 million compared to a budgeted net decrease in cash of $13.3 million. The unfavourable variance of $57.7 million is a combination of net cash inflow from operating activities $31.6 million lower than budget and an increase in cash outflows from financing activities $14.2 million and investing activities $11.9 million.

23. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2013 $'000	2012 $'000
Net cash used on operating activities	141,384	214,106
Depreciation	(191,015)	(204,117)
(Increase) in provisions	26,876	(11,000)
(Decrease) in Work in Progress	(2,997)	(18,407)
Increase/(decrease) in debtors and prepayments	(49,850)	31,239
Decrease in advance billings	4,486	11,622
Decrease in creditors	23,043	17,682
Net gain on sale of plant and equipment	12,218	29,978
Net result	**(35,855)**	**71,103**

24. TRUST FUNDS

(a) Funeral Fund

The Department administers money in a Miscellaneous Trust Fund held at Treasury which is used for payments to claimants against the Russell Kinsella Funeral Fund as a result of voluntary liquidation of Russell Kinsella Proprietary Limited in 1982. 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:

	2013 $'000	2012 $'000
Funeral Fund		
Cash balance at the beginning of the financial year	111	111
Cash balance at the end of the financial year	**111**	**111**

There were no transactions in this account during the year.

(b) 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:

	2013 $'000	2012 $'000
Land Acquisition (Just Terms Compensation) Act		
Cash balance at the beginning of the financial year	273	267
Add: Receipts	16	6
Cash balance at the end of the financial year	**289**	**273**

(c) Unclaimed Money Trust Accounts

As at 30 June 2013

	Testamentary & Trust Common Fund $'000	Testamentary & Trust Interest $'000	Companies Liquidation $'000	Total $'000
Cash balance as at beginning of the year	4,341	9,631	17	13,989
Add: Receipts	-	503	-	503
Less: Expenditure	-	-	-	-
Transfers to Crown	-	-	-	-
Cash balance at the end of the financial year	**4,341**	**10,134**	**17**	**14,492**

Comparative information as at 30 June 2012 is as follows:

	Testamentary & Trust Common Fund $'000	Testamentary & Trust Interest $'000	Companies Liquidation $'000	Total $'000
Cash balance as at beginning of the year	4,341	9,015	17	13,373
Add: Receipts	-	616	-	616
Less: Expenditure	-	-	-	-
Transfers to Crown	-	-	-	-
Cash balance at the end of the financial year	**4,341**	**9,631**	**17**	**13,989**

(d) State Debt Recovery Office (SDRO) Client Funds Account - Fines

	2013 $'000	2012 $'000
Cash balance at beginning of the year	19,119	16,641
Add: Receipts	126,927	132,745
Less: Payments	(131,001)	(130,267)
Cash balance at the end of the financial year	**15,045**	**19,119**

Funds held in this account represent amounts collected on behalf of clients. These funds are remitted to clients in the month following collection.

(e) SDRO Public Monies Accounts - Fines

	2013 $'000	2012 $'000
Cash balance at beginning of the year	16,577	17,117
Add: Receipts	257,821	214,197
Less: Payments	(252,682)	(214,737)
Cash balance at the end of the financial year	**21,716**	**16,577**

Funds held in this account represent amounts collected on behalf of clients. These funds are remitted to clients in the month following collection.

25. SPECIAL PURPOSE FUNDS ADMINISTERED BY THE DEPARTMENT

These funds are included within the Departments' Statement of Financial Position.

As at 30 June 2013

	Motor Dealers Compensation Fund $'000	Property Services Compensation Fund $'000	Property Statutory Interest Account $'000	Home Building Administration Fund $'000	Torrens Assurance Fund $'000
Balance as at beginning of year	2,008	19,741	121,794	5,416	(4,643)
Receipts	822	4,246	44,086	8,241	7,592
Expenditure	(739)	(7,305)	(36,395)	(10,889)	(2,673)
Balance as at end of year	**2,091**	**16,682**	**129,485**	**2,768**	**276**

Comparative information as at 30 June 2012 is as follows:

	Motor Dealers Compensation Fund $'000	Property Services Compensation Fund $'000	Property Statutory Interest Account $'000	Home Building Administration Fund $'000	Torrens Assurance Fund* $'000	Entertainment Industry Bonds $'000	George Proudman Stonemasonry Fellowship Trust $'000
Balance as at beginning of year	1,615	21,772	109,227	4,876	-	178	95
Receipts	783	3,633	45,388	8,830	2,883	28	-
Expenditure	(390)	(5,664)	(32,821)	(8,290)	(7,526)	(68)	-
Balance as at end of year	**2,008**	**19,741**	**121,794**	**5,416**	**(4,643)**	**138**	**95**

* The Torrens Assurance Fund had a negative balance as at 30 June 2012, as compensation payments for 2011/12 exceeded available funds. These payments were made from LPI funds and LPI was reimbursed in 2012/13. The fund has a positive balance as at 30 June 2013.

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.

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 **Property Statutory Interest Account** is supported by interest earned on trust money held by Real Estate Agents and investments made by the Department.

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.

the 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.

The Real Property Act 1900 establishes the **Torrens Assurance Fund** (TAF) as special deposit account; which is funded by a component of the fee paid on lodgement of a dealing affecting Real Property land. The Fund is established to pay compensation to a person(s) who has suffered a loss or damage as a consequence of the operation of the Real Property Act including the costs and expenses of the Registrar General in connection with any claim for compensation under the Fund; and the payment of compensation in settling a claim against the Fund.

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. The Act deals with the Application/Release of bonds lodged with the Council. The NSW Industrial Relations maintains a register of the bonds lodged/released. These funds were transferred to NSW Treasury with NSW Industrial Relations as at 12 September 2012.

26. ADMINISTERED ASSETS AND LIABILITIES

	2013 $'000	2012 $'000
Administered Assets		
Licensing fees	1,068	376
Tax receivables	655,447	589,939
Fine receivables (i)	523,484	623,953
	1,179,999	1,214,268
Less:		
Allowance for impairment - taxes	(88,526)	(22,273)
Allowance for impairment - fines	(108,615)	(23,674)
Amounts not meeting asset recognition criteria - fines	(150,306)	(366,691)
Total Administered Assets	**832,552**	**801,630**
Administered Liabilities		
Liability to Consolidated Fund	1,068	376
Taxes & fines paid in advance / overpayments	29,258	36,432
Total Administered Liabilities	**30,326**	**36,808**

(i) Fines receivable in 2013 includes $197 million in time to pay arrangements with a finalisation date extending beyond twelve months.

27. ADMINISTERED EXPENSES - OTHER

During the year, OSR incurred the following expenses on behalf of the Crown Entity:

	2013 $'000	2012 $'000
Act of Grace payments	2,784	3,447
Court imposed interest payments	1,317	1,275
Unclaimed money refund - S14 *Public Finance and Audit Act*	83	191
Bad debts expense	178,362	245,863
Land tax discounts (i)	20,196	20,061
GST rebate - Clubs (ii)	16,797	17,179
First Home Owners Grant Scheme (FHOGS)	138,609	267,938
NSW New Home Grant Scheme (iii)	61,855	-
Regional relocation grant (iv)	10,080	6,034
Payroll Tax Disability Rebate	24	-
Remissions (v)	44,269	39,076
Total administered expenses	**474,376**	**601,064**

(i) **Land tax discounts** - a 1.5% discount is offered to land tax clients for full payment of their liability by the first instalment date.

(ii) **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.

(iii) **NSW New Home Grant Scheme** – A $5,000 grant available to buyers of new homes with a value up to $650,000 and to buyers of vacant land that is intended to be the site of a new home valued up to $450,000.

(iv) **Regional relocation grant** - the grant assists applicants with the cost of relocating from their metropolitan home to a regional home.

(v) **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.

28. ADMINISTERED INCOME - CROWN ENTITY

Administered income information is presented on a revenue earned (accruals) and revenue collected (cash) basis.

(a) Revenue earned

	Actual 2013 $'000	Actual 2012 $'000
Taxes, penalties and interest		
Duties (i)	6,254,966	5,323,155
Parking space levy (i)	99,853	104,078
Payroll tax (i)	7,871,625	7,661,379
Land tax (i)	2,370,643	2,387,150
Health insurance levy (i)	168,171	153,987
Insurance protection tax	4	75
Sub total	**16,765,262**	**15,629,824**
Gaming and racing		
Lotteries	351,365	334,627
Keno tax	12,854	13,097
Totalizator tax on and off course totes	130,481	137,960
Fixed odds sports betting	11,421	10,739
Fixed odds racing betting	14,514	9,396
Footy TAB	726	754
Club gaming devices (i) (iii)	669,266	660,899
Hotel gaming devices (i) (iii)	507,589	490,703
Total gaming and racing	**1,698,216**	**1,658,175**
Total taxes, penalties and interest	**18,463,478**	**17,287,999**
Fines (ii)		
Motor traffic fines	409,708	313,140
Fees	68,672	46,694
Court fines	26,187	16,215
Other fines	8,966	1,429
Total fines	**513,533**	**377,478**
Total taxes, fines, penalties and interest	**18,977,011**	**17,665,477**
Other		
Tax equivalents	892,423	771,612
Certificate and licences	34,982	55,544
Torrens Assurance Fund and Ad Valorem Levy	1,313	16,908
Unclaimed money	22,657	9,031
Other revenue	290	2,060
Total other	**951,665**	**855,155**
Total revenue earned	**19,928,676**	**18,520,632**

(i) Included in the revenue earned figures are interest and penalties amounting to:

	Actual 2013 $'000	Actual 2012 $'000
Duties	18,415	74,141
Parking space levy	2,715	6,521
Payroll tax	36,853	41,721
Land tax	23,152	28,598
Health insurance levy	317	27
Club gaming devices	421	709
Hotel gaming devices	629	795
Total	**82,502**	**152,512**

(ii) $66.2 million has been recognised in fines revenue for amount previously considered unrecoverable.

(iii) 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 2013 $'000	Actual 2012 $'000
Taxes, penalties and interest		
Duties	6,139,289	5,520,671
First home purchase scheme	4	2
Total duties	**6,139,293**	**5,520,673**
Parking space levy (iii)	98,573	101,693
Payroll tax	7,842,235	7,621,479
Land tax	2,364,744	2,347,648
Health insurance levy	167,966	153,971
Insurance protection tax	4	75
Sub total	**10,473,522**	**10,224,866**
Gaming and racing		
Lotteries	351,365	334,627
Keno tax	12,854	13,097
Totalizator tax on and off course totes	130,481	137,921
Fixed odds sports betting	11,421	10,739
Fixed odds racing betting	14,514	9,396
Footy TAB	726	754
Club gaming devices	669,201	661,201
Hotel gaming devices	507,178	489,818
Total gaming and racing	**1,697,740**	**1,657,553**
Total taxes, penalties and interest	**18,310,555**	**17,403,092**
Fines		
Motor Traffic fines	333,822	280,740
Fees	35,646	30,520
Court fines	12,840	11,469
Other fines	1,881	2,672
Total fines	**384,189**	**325,401**
Total taxes, fines, penalties and interest (i)	**18,694,744**	**17,728,493**
Other		
Tax equivalents	892,423	771,612
Certificate and licences (ii)	34,290	55,544
Torrens Assurance Fund and Ad Valorem Levy	1,248	16,829
Unclaimed money	22,657	9,031
Other revenue	290	2,060
Total other	**950,908**	**855,076**
Total revenue collected	**19,645,652**	**18,583,569**

(i) Amounts totalling $29.4 million paid on 30 June 2013 and transferred to the Crown Entity in July 2013 are included in the above figures.

(ii) Certificate and Licences income includes income received in advance of $8.2million as at 30 June 2013 ($8.7million as at June 2012) due to the introduction of three year home building licences.

(iii) OSR collects parking space levy imposed under the *Parking Space Levy Act 2009* on behalf of Transport for NSW. OSR is reimbursed by Transport for NSW for refunds paid.

29. OTHER ADMINISTERED REVENUE AND EXPENSES

Public and Trust Monies

Due to the transfer of NSW Industrial Relations to NSW Treasury Public and Trust Monies are recognised by NSW Treasury as at 12 September 2012**,** refer note 18.

Comparative information as at 30 June 2012 is as follows:

	Public Monies $'000	**Unclaimed Wages $'000**
Balance as at the beginning of the year	40	23
Receipts	67	68
Expenditure	(74)	(52)
Balance as at the end of the year	**33**	**39**

(i) Public Monies

This represents amounts collected, by NSW Industrial Relations Inspectors acting as intermediaries, in disagreements between employees and employers. The amounts are paid by one party to be on forwarded 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 NSW Industrial Relations for payment to employees upon application.

30. ADMINISTERED CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Crown Solicitor or other legal firms are currently acting on a number of matters on behalf of the Department in the normal course of activities. A settlement estimate for these matters cannot be reliably determined. There are no administered contingent assets.

31. 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 statement.

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 on a regular basis.

(a) Financial Instrument Categories

Financial Assets	Note	Category	2013 $'000 Carrying Amount	2012 $'000 Carrying Amount
Class:				
Cash and cash equivalents	6	Not applicable	409,083	504,486
Receivables(i)	7	Loans and receivables (at amortised cost)	140,625	177,123
Financial assets at fair value	9	At fair value through profit or loss - designated as such upon initial recognition	15,251	18,289
Financial Liabilities	**Note**	**Category**		
Class:				
Payables(ii)	13	Financial liabilities measured at amortised cost	222,824	261,414
Borrowings	14	Financial liabilities measured at amortised cost	540,789	555,023

(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 (2013 $128.4 million; 2012 $154.4 million) and less than three months past due (2013 $6.7 million; 2012 $9.8 million) are not considered impaired and together these represent 95.1% (2012 91.6%) 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.

	Total[1,2] $’000	Past Due But Not Impaired[1,2] $’000	Considered Impaired[1,2] $’000
2013			
< 3 months overdue	6,727	6,499	228
3 months - 6 months overdue	3,600	3,193	407
> 6 months overdue	3,781	3,072	709
2012			
< 3 months overdue	9,655	9,655	-
3 months - 6 months overdue	3,509	3,509	-
> 6 months overdue	11,711	10,953	758

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.

Authority Deposits

The entity has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor’s. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 2.5% (2012 4.0%), while over the year the weighted average interest rate was 3.7% (2012 – 4.8%) on a weighted average balance during the year of $125 million (2012 – $210 million). None of these assets are past due or impaired.

(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 $650 million to fund the StateFleet Leasing Arrangement. Out of this facility $540 million was utilised as at 30 June 2013.

During the current and prior year, there were no defaults of 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 NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 11.4% (2012 - 12.7%).

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

			$'000 Interest Rate Exposure			Maturity Dates		
	Weighted Average Effective Interest Rate	**Nominal Amount(i)**	**Fixed Interest Rate**	**Variable Interest Rate**	**Non-interest Bearing**	**< 1 Year**	**1-5 Years**	**> 5 Years**
2013								
Payables Borrowings								
Bank overdraft	-	-	-	-	-	-	-	-
Advances repayable	-	-	-	-	-	-	-	-
TCorp borrowings	-	-	540,789	-	-	176,548	364,241	-
Other loans and deposits	-	-	-	-	-	-	-	-
Finance leases	-	-	-	-	-	-	-	-
	-	-	540,789	-	-	176,548	364,241	-
2012								
Payables Borrowings								
Bank overdraft	-	-	-	-	-	-	-	-
Advances repayable	-	-	-	-	-	-	-	-
TCorp borrowings	-	-	555,023	-	-	200,426	354,597	-
Other loans and deposits	-	-	-	-	-	-	-	-
Finance leases	-	-	2,971	-	-	1,441	1,530	-
	-	-	557,994	-	-	201,867	356,127	-

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

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The 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%**
2013					
Financial Assets (i)					
Cash and cash equivalents	409,083	(4,091)	(4,091)	4,091	4,091
Financial assets at fair value	15,251	(153)	(153)	153	153
Financial Liabilities (i)					
Borrowings	540,789	(5,408)	(5,408)	5,408	5,408
2012					
Financial Assets (i)					
Cash and cash equivalents	507,083	(5,071)	(5,071)	5,071	5,071
Financial assets at fair value	18,289	(183)	(183)	183	183
Financial Liabilities (i)					
Borrowings	557,682	(5,577)	(5,577)	5,577	5,577

(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**	**2013 $'000**	**2012 $'000**
Cash facility	Cash, money market instruments	Up to 1.5 years	409,083	507,083
Strategic cash facility	Cash, money market and other interest rate instruments	1.5 years to 3 years	15,251	18,289

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	**2013 $'000**	**2012 $'000**
Cash Facility	+/- 1.0%	4,091	5,071
Hour-Glass Investment - Strategic Cash Facility	+/- 2.0%	305	366

(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.

Except where specified below the amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of many of the financial instruments. The following table details the financial instruments where the fair value differs from the carrying amount:

	2013 $'000 Carrying Amount	**2013 $'000 Fair Value**	**2012 $'000 Carrying Amount**	**2012 $'000 Fair Value**
Financial Assets				
TCorp Hour Glass Investment Facility	15,251	15,251	18,289	18,289
	15,251	15,251	18,289	18,289

(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**	**2013 Total $'000**
TCorp Hour Glass Investment Facility	15,251	-	-	15,251
	15,251	-	-	15,251

32. GOING CONCERN

At 30 June 2013 the Department has a positive equity balance of $25.03 million (negative $138.6 million as at 30 June 2012). This improvement is primarily the result of an actuarial valuation gain on Defined Benefit Superannuation Schemes.

The Director General considers the Department to be a going concern and able to meet all its commitments. The Department's ability to be a going concern will be assessed again in the next reporting period.

33. EVENTS AFTER THE REPORTING PERIOD

On 3 May 2013 the Public Sector Employment and Management Order 2013 transferred the staff of the NSW Self Insurance Corporation and the management of the function of Building Insurers' Guarantee Corporation from NSW Treasury effective 1 July 2013. Details of these transfers are currently being finalised.

On 2 August 2013 the Public Sector Employment and Management (Housing) Order 2013 transferred the staff of the NSW Land and Housing Corporation to the Department of Family and Community Services, effective 2 August 2013.

END OF AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

Waste Assets Management Corporation

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Waste Assets Management Corporation (the Corporation), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (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 of the financial statements that give a true and fair view 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 financial statements that give a true and fair view and 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 control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. 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 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 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 roles by the possibility of losing clients or income.

James Sugumar
Director, Financial Audit Services

23 September 2013
SYDNEY

Waste Assets Management Corporation

Financial Statements for the year ended 30 June 2013

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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 in my opinion:

(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 2013 and its financial performance for the year ended 30 June 2013.

(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
19 September 2013

Waste Assets Management Corporation

Statement of comprehensive income for the year ended 30 June 2013

	Notes	2013 $'000	2012 $'000
Revenue			
Sale of goods and services	2(a)	24,501	19,462
Waste levy revenue	3(e)	60,022	50,395
Investment revenue	2(b)	2,386	3,253
Grants and contributions	2(c)	-	954
Other revenue	2(d)	678	647
Total revenue		**87,587**	**74,711**
Expenses excluding losses			
Operating expenses			
Personnel services	3(a)	3,860	4,394
Rehabilitation expenses	4	2,484	7,062
Waste levy expense	3(e)	61,414	52,050
Revaluation decrement of land and buildings	8	3,364	-
Other operating expenses	3(b)	16,704	12,224
Depreciation and amortisation	3(c)	9,077	9,224
Finance costs	3(d)	2,386	2,727
Total expenses		**99,289**	**87,681**
DEFICIT FOR THE YEAR	15	**(11,702)**	**(12,971)**
Other comprehensive income for the year		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(11,702)**	**(12,971)**

The accompanying notes form part of these financial statements.

Waste Assets Management Corporation

Statement of financial position as at 30 June 2013

	Notes	2013 $'000	2012 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	56,386	59,508
Receivables	6	12,730	10,851
Other assets	7	1,988	223
Total Current Assets		**71,104**	**70,582**
Non-Current Assets			
Property, plant & equipment			
Landfill cell cost		13,800	14,491
Land and buildings		16,383	20,319
Plant and equipment		9,800	10,133
Total property, plant and equipment	8	39,983	44,943
Other assets	7	4,086	-
Total Non-Current Assets		**44,069**	**44,943**
TOTAL ASSETS		**115,173**	**115,525**
LIABILITIES			
Current Liabilities			
Payables	9	12,723	13,887
Borrowings	10	7,500	-
Provisions	11	8,857	9,730
Total Current Liabilities		**29,080**	**23,617**
Non-Current Liabilities			
Provisions	11	56,884	50,997
Total Non-Current Liabilities		**56,884**	**50,997**
TOTAL LIABILITIES		**85,964**	**74,614**
NET ASSETS		**29,209**	**40,911**
EQUITY			
Accumulated funds		29,209	40,911
TOTAL EQUITY		**29,209**	**40,911**

The accompanying notes form part of these financial statements.

Waste Assets Management Corporation

Statement of changes in equity for the year ended 30 June 2013

	Accumulated Funds $'000
Balance at 1 July 2012	40,911
Deficit for the year	(11,702)
Total comprehensive income for the year	(11,702)
Balance at 30 June 2013	29,209
Balance at 1 July 2011	53,882
Deficit for the year	(12,971)
Total comprehensive income for the year	(12,971)
Balance at 30 June 2012	40,911

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2013

	Notes	2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sales of goods and services		19,736	22,702
Waste levy received		67,359	56,197
Interest received		2,386	3,253
Grants and contributions		-	954
Total Receipts		**89,481**	**83,106**
Payments			
Personnel services related		(3,291)	(4,112)
Finance costs		(140)	(3)
Contract expense		-	(12,972)
landfill host fees paid		(5,083)	(5,622)
Waste levy paid		(60,059)	(50,867)
GST remitted		(5,683)	(3,496)
Other		(18,320)	(18,019)
Total Payments		**(92,576)**	**(95,091)**
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	**(3,095)**	**(11,985)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(7,634)	(3,842)
Proceeds from sale of property, plant and equipment		107	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(7,527)**	**(3,842)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings and advances		7,500	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**7,500**	**-**
NET DECREASE IN CASH		**(3,122)**	**(15,827)**
Opening cash and cash equivalents		59,508	75,335
CLOSING CASH AND CASH EQUIVALENTS	5	**56,386**	**59,508**

The accompanying notes form part of these financial statements.

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.

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.

The Corporation was created, with effect from 23 March 2010, and commenced operations from 31 January 2011.

These financial statements for the year ended 30 June 2013 have been authorised for issue by the Chief Executive on 19 September 2013.

(b) 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 2010.
- Applicable Financial Reporting Directions and Circulars issued by the Treasurer.

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.

(c) Statement of compliance

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

(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. 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.

(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) Personnel Services

Employee costs for the full year were recognised as Personnel Services provided by the Department of Finance and Services (Note 3 (a)). These personnel services are expensed when incurred.

(h) Accounting for the goods and services tax (GST)

Revenue, expenses assets and liabilities 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.

(i) 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.

1. Summary of significant accounting policies (continued)

(i) Revenue recognition (continued)

(i) ***Contributions (Continued)***

Control over contributions is normally obtained upon the receipt of cash.

(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***

Revenues from electricity sales are recognised on an accruals basis.

(v) ***Renewable Energy Certificates (RECs)***

Revenue from Renewable Energy Certificates is recognised at fair value when they are registered with the Commonwealth's Clean Energy Regulator.

(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.*

(j) 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.

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 rehabilitation***

a. Landfills

The Corporation owns landfill assets. A landfill may be either developed or purchased. The cost of developing a landfill includes the expenses incurred in approval and overall site, infrastructure development to bring the asset to a condition necessary for its intended use.

It is the Corporation's policy to:

- assess and recognise of each landfill asset or group of landfill assets as a unit.
- measure the land value by reference to fair value.

b. Cell development

A landfill will normally be divided into parts, with each part (a cell) being developed one at a time. 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.

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.

In recognition of the above, it is the Corporation's policy at time of cell development and reporting dates to:

- capitalise the cost of cell development in landfill assets
- amortise the expected cost of cell development over the useful life of the cell.

1. Summary of significant accounting policies (continued)

(j) Assets (continued)

(ii) Landfills, cell development and provision for rehabilitation (continued)

b. Cell development (continued)

- recognise income streams in the reporting period earned

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.

c. Landfills closure and provision for rehabilitation

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.

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.

In recognition of the above, it is the Corporation's policy at time of development to:

- 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.

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 provision due to the passage of time is recognised in the statement of comprehensive income as a time value adjustment.

(iii) *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.

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

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). 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. Land is carried at un-rehabilitated value.

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 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.

The last valuation of land and buildings was completed on 30 June 2013 and was based on an independent assessment.

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.

1. Summary of significant accounting policies (continued)

(j) Assets (continued)

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

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 statement of comprehensive income, the increment is recognised immediately as revenue in the statement of comprehensive income.

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 amortised 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

(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 statement of comprehensive income 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.

1. Summary of significant accounting policies (continued)

(j) Assets (continued)

(x) Other assets

Renewable Energy Certificates generated and Australian Carbon Credit Units are stated at fair value. Fair 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.

Any reversals of impairment losses are reversed through the surplus/deficit for the period, where there is objective evidence. 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.

(k) 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 3.9% per annum, (2012: 4.4% per annum), 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.

(l) 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 2(i)(iv).

(ii) *Accumulated funds*

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

(m) 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.

1. Summary of significant accounting policies (continued)

(n) Carbon Price Mechanism

The Commonwealth *Clean Energy Act 2011* makes entities liable, in certain circumstances, for future greenhouse gas emissions from waste received after 1 July 2012.

Emissions of tonnes of CO_2 equivalent (CO_2e) are estimated taking into account waste received, its composition and the anticipated landfill operating life. Emissions are reduced by the amount of greenhouse gas that is captured and destroyed by combustion.

Future liable emissions, (gross emissions net of gas capture and destruction) are initially calculated as tonnes of CO_2e emitted for each year a licensed landfill is expected to be liable.

Net liable emissions are recognised after being converted into monetary liability by multiplying the forecast future liable emissions of tonnes of CO_2e by forecast future per tonne price of Australian Carbon Credit Units (ACCU) for each future year of emission.

Future ACCU pricing is taken to be Commonwealth Treasury published estimates, where available, and reasonable management estimates based on prevailing market expectations where no published estimate is available.

Liabilities expected to occur more than twelve months in the future are adjusted for the time value of money.

(o) Comparatives

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

(p) 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 13/02 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 2015 and Waste Assets Management Corporation is yet to assess its full impact.

  Management has assessed the impact of the other new accounting standards and interpretations and noted that these will not have a material impact on the Corporations financial statements.

2. Revenue

	2013 $'000	2012 $'000
(a) Sale of goods and services		
Waste charges	20,534	15,681
Electricity and green products	3,967	3,781
	24,501	**19,462**
(b) Investments revenue		
Interest received	2,386	3,253
	2,386	**3,253**
(c) Grants and contributions		
Cash contributions from Treasury for:		
Settlements of Crown liabilties	-	954
	-	**954**
(d) Other revenue		
Profit on Disposal of assets	27	-
Other Income	651	647
	678	**647**

3. Expenses excluding losses

	2013 $'000	2012 $'000
(a) Personnel services		
Salary and wages	4,077	3,620
Superannuation - defined benefit plans	(1,363)	(213)
Superannuation - defined contributions plans	285	234
Long service leave	83	81
Workers compensation insurance	187	175
Payroll tax and fringe benefits tax	292	215
Temporary contractors	299	282
	3,860	**4,394**
(b) Other operating expenses		
Administration	293	283
Auditors remuneration		
- audit of the financial statements	84	106
Bad debts	4	24
Carbon Price Mechanism	4,737	-
Consultancy	132	96
Fee for service	161	254
Insurance	735	1,265
Landfill operating expenses	385	652
Landfill host fees	4,856	4,733
Legal	1,827	231
Loss on disposal of fixed assets	73	15
Maintenance	94	164
Mobile plant and Motor vehicles	2,118	2,677
Operating lease rental expense	512	493
Other expenses	201	176
Rates and taxes	140	465
Utilities and cleaning	352	590
	16,704	**12,224**

3. Expenses excluding losses (continued)

	2013 $'000	2012 $'000
**Reconciliation - Capitalised salary and wages*		
Personnel services related expense capitalised into Landfill Cell development costs excluded from note 3(a) above	176	79
**Reconciliation - Total maintenance*		
Maintenance expense – contracted labour and other (non-employee related), as above	179	113
Personnel services related maintenance expense included in Note 3(a)	522	275
Total maintenance expenses included in Note 3(a) + 3(b)	**701**	**388**
(c) Depreciation and amortisation expense		
Depreciation of:		
Landfill cell costs	6,171	5,950
Land and Buildings	774	770
Plant and equipment	2,132	2,504
	9,077	**9,224**
(d) Finance costs		
Interest paid to TCorp	140	3
Unwinding of discount on landfill provision	2,246	2,724
	2,386	**2,727**
(e) Waste levy Revenue/Expense		
Waste levy revenue	60,022	50,395
Waste levy expense	61,414	52,050
Expense over revenue	**(1,392)**	**(1,655)**

Expense over revenue was largely due to waste levy expenses that are not collectable from customers. This includes cover material brought on site where cover material excavated from the landfill licensed area has been exhausted.

4. Rehabilitation expenses

Landfill rehabilitation expenses	2,484	7,062

4. Rehabilitation expenses (continued)

The Corporation was vested a provision for rehabilitation on 31 January 2011. On 3 February 2011 the Corporation received $48,942,000 from the Crown Entity to fund the future land rehabilitation liabilities.

The Corporation reassesses the provision for landfill rehabilitation each year and increased this by $2,029,010 to represent the net present value of the liability (year ended 30 June 2012 increase of $6,647,823).

At balance date the Corporation's rehabilitation liabilities exceeded the restricted cash in the Landfill Rehabilitation Fund accounts by $9,694,474 (2012:$7,138,661).

The ability of the Corporation to complete its long term rehabilitation obligations is dependent upon a number of factors including, long term interest rates; regulatory changes to rehabilitation requirements and licence conditions, potential rehabilitation savings identified by the Corporation and further contributions to the Landfill Rehabilitation Fund by the Crown.

5. Currents assets - cash and cash equivalents

	2013 $'000	2012 $'000
Cash at bank and on hand	1,829	3,058
NSW Treasury Corporation: Hour-Glass Cash Facilities		
- Unrestricted	250	1,052
- Restricted	54,307	55,398
	56,386	**59,508**

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:

Cash and cash equivalents (per statement of financial position)	56,386	59,508
Closing cash and cash equivalents (per statement of cash flows)	**56,386**	**59,508**

Restricted funds 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.

5. Currents assets - cash and cash equivalents (continued)

Reconciliation of Restricted Cash

Reconciliation of Restricted Funds

	Landfill Rehabilitation Fund $'000	Lucas Heights $'000	Other Restricted $'000	Total $'000
Year ended 30 June 2013				
Opening restricted funds at start of year	47,766	3,293	4,339	55,398
Interest received	1,924	113	173	2,210
Reimbursements for rehabilitation	(2,422)	-	-	(2,422)
Other payments from restricted funds	-	(745)	(134)	(879)
Restricted funds at the end of the year	**47,268**	**2,661**	**4,378**	**54,307**

	Landfill Rehabilitation Fund $'000	Lucas Heights $'000	Other Restricted $'000	Total $'000
Year ended 30 June 2012				
Opening restricted funds at start of year	48,062	14,727	4,407	67,196
Grant received	-	-	954	954
Interest received	2,406	321	214	2,941
Reimbursements for rehabilitation	(2,702)	-	-	(2,702)
Other payments from restricted funds	-	(11,755)	(1,236)	(12,991)
Restricted funds at the end of the year	**47,766**	**3,293**	**4,339**	**55,398**

The Landfill Rehabilitation Fund was established in accordance with Section 7 Part 2 of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010*. This is a special deposit account administered by the Treasurer. Use of funds is restricted to landfill rehabilitation purposes.

6. Current assets - receivables

	2013 $'000	2012 $'000
Trade receivables	11,432	10,682
Prepayments	196	169
Receivable from other government agencies	1,102	-
	12,730	**10,851**

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. Other assets

Current		
Right to carbon emission units	1,792	-
Renewable Energy Certificates	196	223
	1,988	**223**
Non-current		
Right to carbon emission units	4,086	-
	4,086	**-**

During the year to 30 June 2013 the corporation signed a deed with its sole customer for landfill capacity to recover the impact of the Carbon Price Mechanism. This deed incorporates financial settlements to the Corporation on an agreed schedule of dates.

The Corporation holds bank guarantees received from the major customer in accordance with the deed.

8. Non-current assets - property, plant and equipment

	Landfill cell cost $'000	Land & Buildings $'000	Plant & Equipment $'000	Total $'000
At 30 June 2013				
Gross carrying amount	28,514	17,095	16,752	62,361
Accumuated depreciation and amortisation	(14,714)	(712)	(6,952)	(22,378)
Net carrying amount	**13,800**	**16,383**	**9,800**	**39,983**
At 30 June 2012				
Gross carrying amount	23,035	21,407	15,161	59,603
Accumuated depreciation and amortisation	(8,544)	(1,088)	(5,028)	(14,660)
Net carrying amount	**14,491**	**20,319**	**10,133**	**44,943**

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
At 1 July 2012	14,491	20,319	10,133	44,943
Additions	5,480	202	1,952	7,634
Disposal	-	-	(153)	(153)
Revaluation adjustment	-	(3,364)	-	(3,364)
Depreciation expense	(6,171)	(774)	(2,132)	(9,077)
At 30 June 2013	**13,800**	**16,383**	**9,800**	**39,983**

	Landfill cell cost $'000	Land & Buildings $'000	Plant & Equipment $'000	Total $'000
At 1 July 2011	18,003	21,074	11,263	50,340
Additions	2,438	15	1,389	3,842
Disposal	-	-	(15)	(15)
Revaluation adjustment	-	-	-	-
Depreciation expense	(5,950)	(770)	(2,504)	(9,224)
At 30 June 2012	**14,491**	**20,319**	**10,133**	**44,943**

Revaluation of Land and Buildings

During the year Land and Buildings were valued by an independent registered valuer. As a result of these valuations reduction in the carrying value of these assets of $3,364,227 was recorded and charged as an expense in the Income Statement.

9. Current liabilities - payables

	2013 $'000	2012 $'000
Trade payables	623	1,646
Payable to other government agencies	356	2,274
Waste levy payable	9,994	8,639
Other Creditors	1,748	1,328
	12,723	**13,887**

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 16.

10. Borrowings

TCorp unsecured borrowings - Current	7,500	-
	7,500	**-**

Waste Assets Management Corporation has NSW Treasury approval for a "Come and Go' short term borrowing facility with NSW Treasury Corporation (TCorp) of $20 million. At 30 June 2013, the unused balance of the facility was $12,500,000, 2012 $20,000,000.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 16.

11. Current / non-current liabilities – provisions

	Prov. for Carbon Price Mechanism $'000	Prov. for Landfill Rehabilitation $'000	Prov. for Cost to Complete Projects $'000	Total $'000
At 30 June 2013				
Current provision	1,089	3,523	4,245	8,857
Non-current provision	3,648	53,236	-	56,884
Total provision	**4,737**	**56,759**	**4,245**	**65,741**
At 30 June 2012				
Current provision	-	3,908	5,822	9,730
Non-current provision	-	50,997	-	50,997
Total provision	**-**	**54,905**	**5,822**	**60,727**

11. Current / non-current liabilities – provisions (continued)

Movements in provisions

Movements in each class of provision during the financial period are set out below:

	Prov. for Carbon Price Mechanism $'000	Prov. for Landfill Rehabilitation $'000	Prov. for Cost to Complete Projects $'000	Total $'000
At 1-Jul-2012	-	54,905	5,822	60,727
Additional provisions during the year	4,737	2,030	3,790	10,557
Amounts used	-	(2,422)	(5,367)	(7,789)
Unwinding / discount rate	-	2,246	-	2,246
At 30-June-2013	**4,737**	**56,759**	**4,245**	**65,741**
At 1-Jul-2011	-	48,236	18,802	67,038
Additional provisions during the year	-	6,646	4,733	11,379
Amounts used	-	(2,701)	(17,713)	(20,414)
Unwinding / discount rate	-	2,724	-	2,724
At 30-June-2012	**-**	**54,905**	**5,822**	**60,727**

Provision for Carbon Price Mechanism:

- On 1 July 2012 the Commonwealth *Clean Energy Act 2011*, and associated legislation, came into effect.
- This legislation creates future liability for the Corporation based on emissions from waste deposited after 1 July 2012. The Corporation has developed a model for forecasting and pricing carbon to enable pass through of these costs to its customers
- At the end of each reporting year the Corporation prepares an estimate of the fair value of its current and future liabilities for greenhouse gas emissions. This emissions estimate is based on past volumes of waste received, future volumes of waste expected to be received and expected emission volumes and future capture and destruction of methane. The proportion of emissions attributed to waste already received by balance date is used to determine the Corporation's present liability for Carbon Emissions. The effect of time value of money and forecast future price of various carbon units are taken into account. For reasonability, the forecast provision is compared against its face value.
- The Corporation incurs all costs of the Carbon Price Mechanism. A deed to recover the estimated Carbon Emission Liability has been signed with the corporation sole customer of landfill space.

11. Current / non-current liabilities – provisions (continued)

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 year, the assessment is adjusted for expenditure incurred, the effect of the time value of money and changes to the required scope and duration of rehabilitation activities. For reasonability, the revised provision is compared against its face value.
- The Corporation incurs all rehabilitation expenditure. Funds from the restricted purpose rehabilitation cash accounts are then reimbursed to the Corporation.

Provision for Cost to Complete Projects include:

- WSN Environmental Solutions liabilities which were vested in WAMC on 31/01/2011 included Lucas Heights Dig Deep and Lucas Heights Sportsfield, completed during the current year.
- 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.

12. Future minimum lease payments expected to be received

Future non-cancellable operating lease receivable:

	2013 $'000	2012 $'000
Not later than one year	69	69
Later than one year and not later than five years	277	277
Later than five years	426	495
Total (including GST)	**772**	**841**

13. Commitments for expenditure

(a) Operating lease commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	547	340
Later than one year and not later than five years	184	649
Total (including GST)	**731**	**989**

(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	146	1,287
Total (including GST)	**146**	**1,287**

14. Contingent liabilities and contingent assets

(a) Contingent assets

There are no known contingent assets requiring disclosure in these financial statements as at balance date, (2012:$Nil).

(b) Contingent liabilities

Past rehabilitation obligations of WSN Environmental Solutions were vested in the Corporation.

The Corporation is defending a claim for rehabilitation obligations brought during the year to 30 June 2012. The Corporation has denied liability. The cost of any potential obligations cannot be reliably estimated, as was at 30 June 2012.

15. Reconciliation of cash flows from operating activities to deficit for the year

	2013 $'000	2012 $'000
Net cash flows from operating activities	**(3,095)**	**(11,985)**
Depreciation	(9,077)	(9,224)
Revaluation decrement of land and buildings	(3,364)	-
Loss on disposal of fixed assets	(46)	(15)
Increase/(Decrease) in receivables	1,879	(519)
Increase/(Decrease) in other assets	5,851	(703)
Decrease in payables	1,164	3,164
(Increase) in rehabilitation provision	(2,030)	(6,646)
Unwinding of rehabilitation discount	(2,246)	(2,724)
(Increase)/Decrease in other provisions	(738)	15,681
Deficit for the year	**(11,702)**	**(12,971)**

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	
			2013 $'000	2012 $'000
Class:				
Cash and cash equivalents	5	N/A	56,386	59,508
Receivables[1]	6	Loans and receivables (at amortised cost)	10,496	10,682
Other assets	7	Rights to carbon emission assets and Renewable Energy Certificates	6,074	223

Financial Liabilities	Notes	Category	Carrying amount	
			2013 $'000	2012 $'000
Class:				
Borrowings	10	Financial liabilities measured at amortised cost	7,500	-
Payables[2]	9	Financial liabilities measured at amortised cost	2,479	4,833

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).

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. The corporation held $4.9 million, (2012 $ Nil) in bank guarantees in respect of Carbon emissions Assets Receivable. No other 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 Treasury Corporation (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.

30/06/2013	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
Financial Assets							
Cash	3.2%	3.5%	1,828	-	-	1	1,829
Hour-Glass Investments / Cash Facility	4.0%	1.9%	54,557	-	-	-	54,557
Total Financial Assets			56,385	-	-	1	56,386

30/06/2012	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
Financial Assets							
Cash	4.4%	3.2%	3,057	-	-	1	3,058
Hour-Glass Investments / Cash Facility	4.9%	4.1%	56,450	-	-	-	56,450
Total Financial Assets			59,507	-	-	1	59,508

16. Financial instruments (continued)

(a) Credit Risk (continued)

Receivables – trade debtors

All trade and other debtors are recognised as amounts receivable at balance date. Collectability of all 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 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.

98% (2012:96%) 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.

	Total [1,2] $'000	Past due but not impaired [1,2] $'000	Considered impaired [1,2] $'000
2013			
< 3 months overdue	-	-	-
2012			
< 3 months overdue	51	51	-

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.

16. Financial instruments (continued)

(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 Treasury Circular TC 11/12. 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. Treasury Circular TC 11/12 allows the Minister to award interest for late payment. Although not required.

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

			Interest Rate Exposure $'000			Maturity Dates		
	Weighted Average Effective Int. Rate %	Nominal Amount $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest bearing $'000	<1 year $'000	1-5 years $'000	>5 years $'000
2013								
Borrowings	2.90%	7,500	-	7,500	-	7,500		
Payables	-	2,479	-	-	2,479	2,479	-	-
		9,979	**-**	**7,500**	**2,479**	**9,979**	**-**	**-**
2012								
Borrowings	-	-	-	-	-	-	-	-
Payables	-	4,833	-	-	4,833	4,833	-	-
	-	**4,833**	**-**	**-**	**4,833**	**4,833**	**-**	**-**

16. Financial instruments (continued)

(c) 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 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	-1%		1%	
	Amount	Profit	Equity	Profit	Equity
2013	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Assets					
Cash at bank and on hand	1,829	18	18	(18)	(18)
Financial Liabilities					
Borrowings	7,500	75	75	(75)	(75)

	Carrying	-1%		1%	
	Amount	Profit	Equity	Profit	Equity
2012	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Assets					
Cash at bank and on hand	3,058	31	31	(31)	(31)
Financial Liabilities					
Borrowings	-	-	-	-	-

16. Financial instruments (continued)

(c) Market Risk (continued)

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	2013 $'000	2012 $'000
Cash facility	Cash, money market instruments	Up to 1.5 years	7,698	11,409
Strategic Cash facility	Cash, money market and other interest rate instruments	1.5 years to 3 years	46,859	45,041

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 and Strategic Cash Facilities. 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.

	Carrying Amount	-1%		1%	
2013	$'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
Hour Glass Investments	54,557	(546)	(546)	546	546

	Carrying Amount	-1%		1%	
2012	$'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
Hour Glass Investments	56,450	(565)	(565)	565	565

16. Financial instruments (continued)

(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)

	Level 1	Level 2	Level 3	2013 Total
	$'000	$'000	$'000	$'000
Financial assets at fair value				
Hour-Glass Investments / Cash Facility	-	54,557	-	54,557
	-	**54,557**	**-**	**54,557**

	Level 1	Level 2	Level 3	2012 Total
	$'000	$'000	$'000	$'000
Financial assets at fair value				
Hour-Glass Investments / Cash Facility	-	56,450	-	56,450
	-	**56,450**	**-**	**56,450**

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 year ended 30 June 2013.

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, Australian Carbon Credit Units 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(c).

	2013 $'000	2012 $'000
Share of corporation's assets and liabilities		
Current assets	105	68
Non-current assets	3,264	4,031
Total assets	**3,369**	**4,099**
Current liabilities	101	83
Total liabilities	**101**	**83**
Net assets	3,268	4,016
Share of corporation's revenue, expenses and results		
Revenue	-	1
Expenses	(1,598)	(1,285)
Net loss before income tax	**(1,598)**	**(1,284)**

Each of the shareholders in Eastern Creek 2 Landfill Gas Joint Venture with LMS Generation Pty Limited is jointly and severally liable for the debts of the company. The assets of the company exceed its debts.

18. Economic dependency

The Corporation is dependent upon one counterparty for 96% of its sales revenue (2012: 95%) This counterparty is a credit worthy entity who's relationship with the corporation is controlled by a series of terms sheets. Under the terms sheet the counterparty is obliged to purchase a specified volume of landfill capacity from the Corporation. It is anticipated that the counterparty will purchase most or all of the Corporation's landfill capacity under these terms sheets until the Corporations landfill operations cease when the available landfill capacity is exhausted during either the 30 June 2016 or 30 June 2017 years.

19. After reporting date events

On 8 September 2013 there was a change in Commonwealth Government. The incoming government has announced that it will repeal, or significantly amend, the *Commonwealth Clean Energy Act (2011)*. The financial impact of these announcements cannot be reliably estimated as legislation has yet to be presented to parliament or passed into law.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may affect the operations of the Corporation, the results of those operations, or the state of affairs of the Corporation in future financial years.

[END OF AUDITED FINANCIAL STATEMENTS]

INDEPENDENT AUDITOR'S REPORT

Australian Centre for Advanced Computing and Communications Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Australian Centre for Advanced Computing and Communications Pty Limited (the Company), which comprise the statement of financial position as at 30 June 2013, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with *International Financial Reporting Standards* as disclosed in Note 1(b).

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

The Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

In Note 1(b), the Directors also state that the financial statements comply with *International Financial Reporting Standards*.

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 control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

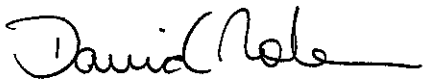
My opinion does *not* provide assurance:

- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about 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 roles by the possibility of losing clients or income.



David Nolan
Director, Financial Audit Services

16 October 2013
SYDNEY

Australian Centre for Advanced Computing and Communication Pty Ltd

ABN 27 095 046 923

Annual Report

30 June 2013

Directors' Declaration

In accordance with a resolution of the directors of the Australian Centre for Advanced Computing and Communication 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 and notes exhibit a true and fair view of the financial position of the company as at 30 June 2013 and the transactions for the year ended 30 June 2013.

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 15 / 10 / 13

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Statement of Profit and Loss and Other Comprehensive Income

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

	Note	2013	2012
		$'000	$'000
Revenue	2	24,338	15,386
Expenses			
Employee benefits expense	3	(6,230)	(5,486)
Depreciation expenses		(1,710)	(2,014)
Financing expenses		(210)	(352)
Other operating expenses	3	(15,786)	(7,177)
Profit for the year before tax		402	357
Current tax expense	4a	(26)	-
Deferred tax benefit	4a	-	76
NET PROFIT AFTER TAX		376	433
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME		376	433

The above statement of Profit and Loss and Other Comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2013

Australian Centre for Advanced Computing and Communication Pty Ltd

	Note	2013 $'000	2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	5	3,160	2,597
Trade and other receivables	6	3,125	2071
Deferred tax assets	4b	563	666
Total current assets		6,848	5,334
Non-current assets			
Plant and equipment	7	2,736	3,764
Deferred tax assets	4b	200	460
Total non-current assets		2,936	4,224
TOTAL ASSETS		9,784	9,558
LIABILITIES			
Current liabilities			
Trade and other payables	8	2,867	1,618
Provisions	9	440	387
Interest bearing liabilities	10	1,006	1,236
Other current liabilities	11	292	316
Deferred tax liabilities	4b	283	360
Total current liabilities		4,888	3,917
Non-current liabilities			
Provisions	9	168	110
Interest bearing liabilities	10	498	1,423
Other non-current liabilities	11	159	153
Deferred tax liabilities	4b	129	389
Total non-current liabilities		954	2,075
TOTAL LIABILITIES		5,842	5,992
NET ASSETS		3,942	3,566
EQUITY			
Issued capital		14,920	14,920
Accumulated losses		(10,978)	(11,354)
Total Equity		3,942	3,566

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 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

	Issued Capital $'000	Accumulated Loss $'000	Total $'000
Balance as at 1 July 2012	14,920	(11,354)	3,566
Profit for the year after tax	-	376	376
Other comprehensive income	-	-	-
Total other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 30 June 2013	14,920	(10,978)	3,942
Balance as at 1 July 2011	14,920	(11,787)	3,133
Profit for the year after tax	-	433	433
Other comprehensive income	-	-	-
Total other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 30 June 2012	14,920	(11,354)	3,566

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 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from customers and rentals		25,581	15,069
Payments to suppliers and employees		(23,061)	(12,634)
Financing costs		(210)	(352)
Interest received		90	70
Net cashflows from operating activities	15	2,400	2,153
Cash flows from investing activities			
Payments for plant and equipment		(577)	(447)
Net cash from investing activities		(577)	(447)
Cash flows from financing activities			
Repayment of borrowings		(1,260)	(1,571)
Net cash from financing activities		(1,260)	(1,571)
Net increase in cash and cash equivalents		563	135
Cash and cash equivalents at beginning of the year		2,597	2,462
Cash and cash equivalents at end of the year	5	3,160	2,597

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 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

1 Summary of significant accounting policies

(a) Reporting entity

The Australian Centre for Advanced Computing and Communication 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. 100% of the shares in this company were held by the Minister of Finance and Services on behalf of the NSW Government.

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 2013 have been authorised for issue by the Directors on 15th October 2013.

(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. The company is required to prepare general purpose financial statements under the *Public Finance and Audit Act 1983* as 100% of the shares in the company are held by the Minister of Finance and Services on behalf of the NSW Government.

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 and the requirements of the *Public Finance and Audit Act 1983* and Regulation. 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.

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement
- AASB 119 , AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities
- AASB 2012-3 regarding offsetting financial assets and financial liabilities
- AASB 2012-9 regarding withdrawal of Interpretation 1039
- AASB 2012-10 regarding transition guidance and other amendments

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication 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 2013
Australian Centre for Advanced Computing and Communication 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, less 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.

Management undertakes an impairment review of plant and equipment annually.

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 2013
Australian Centre for Advanced Computing and Communication 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 2013
Australian Centre for Advanced Computing and Communication 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 2013
Australian Centre for Advanced Computing and Communication 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 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

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 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

2 Revenue

	2013 $'000	2012 $'000
Revenue from continuing operations		
Provision of managed services	14,567	13,280
Provision of project services	9,341	1,601
Sales of goods	340	435
	24,248	15,316
Other revenue		
Interest received	90	70
Total revenue	24,338	15,386

3 Expenses

Profit for the year before tax	2013 $'000	2012 $'000
Includes the following specific expenses:		
Employee benefits expense		
Annual and long service leave provided	112	94
Payroll tax	300	246
Salaries and wages	5,373	4,751
Superannuation	445	395
Total employee benefits expense	6,230	5,486
Other operating expenses		
Audit fees	36	35
Cost of goods sold	9,182	2,238
Co-location fee	1,450	1,310
Directors' remuneration	69	79
Operating lease rental – minimum lease payments	531	541
Other expenses	2,480	1,171
Power	997	784
Rent	386	373
Repairs and maintenance	265	326
Telecommunications	390	320
Total other operating expenses	15,786	7,177

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

4 Income tax expense

	2013 $'000	2012 $'000
(a) The components of tax expense comprise:		
Prima facie tax payable (30% on profit from ordinary activities before tax)	120	107
Deferred (tax expense) tax benefit resulting from temporary differences	(26)	76
Recoupment of prior year tax losses	(94)	(183)
	-	-
(b) Deferred tax asset/(Deferred tax liability)		
Deferred tax items recognised in the statement of comprehensive income		
Provisions for employee entitlements	166	135
Other provisions	146	195
Lease liability	451	796
	763	1,126
Plant and equipment subject to lease	(412)	(749)
Net deferred tax asset	351	377
Deferred tax asset recognised in the statement of financial position		
Current asset	563	666
Non-current asset	200	460
	763	1,126
Deferred tax liability **recognised in the statement of financial position**		
Current liability	283	360
Non-current liability	129	389
	412	749

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

5 Cash and cash equivalents

	2013	2012
	$'000	$'000
Cash at bank and on hand	3,160	2,597
	=======	=======

(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	3,160	2,597
	=======	=======

(b) Cash at bank and on hand

The deposits bear a floating interest rate of 3.13%. (2012 -2.77%). These funds are at call.

Refer Note 17 for details regarding credit risks, liquidity risk and market risk arising from financial instruments

6 Trade and other receivables

	2013	2012
	$'000	$'000
Current		
Trade debtors and receivables	3,125	2,071
	=======	=======

Refer Note 17 for details regarding credit risks, liquidity risk and market risk including financial assets either past due or impaired

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

7 Plant and equipment

	2013 $'000	2012 $'000
Plant and Equipment – Fair Value		
Gross Carrying Amount	2,550	2,057
Accumulated depreciation	(1,204)	(830)
Net Carrying Amount Plant and Equipment	1,346	1,227
Furniture and Fittings – Fair Value		
Gross Carrying Amount	139	139
Accumulated depreciation	(118)	(97)
Net Carrying Amount Furniture and Fittings	21	42
Leased Assets – Fair Value		
Gross Carrying Amount	4,823	6,201
Accumulated amortisation	(3,454)	(3,706)
Net Carrying Amount Leased assets	1,369	2,495
Total Plant and equipment – Fair Value		
Gross Carrying Amount	7,512	8,397
Accumulated depreciation & amortisation	(4,776)	(4,633)
Net Carrying Amount	2,736	3,764

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

7 Plant and equipment continued

Reconciliation – 2013	Plant & Equipment $'000	Furniture & Fittings $'000	Leased Assets $'000	Total $'000
Net carrying amount at the beginning of year	1,227	42	2,495	3,764
Additions	577	-	105	682
Depreciation/amortisation	(458)	(21)	(1,231)	(1,710)
Net carrying amount at the end of year	1,346	21	1,369	2,736

Reconciliation – 2012				
Net carrying amount at the beginning of year	1,188	54	4,089	5,331
Additions	437	10	-	447
Depreciation/amortisation	(398)	(22)	(1,594)	(2,014)
Net carrying amount at the end of year	1,227	42	2,495	3,764

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

8 Trade and other payables

	2013 $'000	2012 $'000
GST payable	187	225
Sundry creditors and accruals	555	705
Trade creditors	2,125	688
	2,867	1,618

Refer Note 17 for details regarding credit risks, liquidity risk and market risk, including a maturity analysis of the above payables

9 Provisions

	2013 $'000	2012 $'000
Current		
Annual Leave	344	291
Long Service Leave	96	96
	440	387
Non-Current		
Long Service Leave	110	59
Provision for premises relocation	58	51
	168	110
Movement in provision for premises relocation		
Carrying amount at the beginning of financial year	51	44
Additional provision recognised	-	-
Amount used	-	-
Unused amount	-	-
Unwinding of discount rate	7	7
Carrying amount at end of financial year	58	51

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

10 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:

	2013 $'000	2012 $'000
Within one year	1,097	1,441
Later than one year but not later than five years	521	1,530
Later than five years	-	-
Minimum lease payments	1,618	2,971
Future finance charges	(114)	(312)
Present value of minimum lease payments	1,504	2,659

Finance leases are disclosed in the statement of financial position as follows:

Current interest bearing liability	1,006	1,236
Non-current interest bearing liability	498	1,423
	1,504	2,659

Details regarding credit risk, including a maturity analysis of the above borrowings are disclosed in Note 17.

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

	2013 $'000	2012 $'000
11 Other liabilities		
Current		
Income in advance	292	316
	=======	=======
Non-current		
Income in advance	159	153
	=======	=======

12 Related party disclosures

(a) Details of director remuneration

Details of the remuneration of non-executive director of Australian Centre for Advanced Computing and Communication Pty Ltd are set out in the following table.

	Short-term	Post-employment	
Name	Cash salary and fees ($'000)	Superannuation ($'000)	Total ($'000)
N. Stevens	63	6	69
Total	**63**	**6**	**69**

None of the other directors received any remuneration from ac3 for the financial year ended 30 June 2013.

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

12 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:

Monique McIntosh, Chief Executive Officer and Carmen Ou, Chief Financial Officer

(c) Compensation of key executive personnel

	2013 $'000	2012 $'000
Short term benefits	454	413
Post-employment benefits	36	21
Other long-term employee benefits	34	-
Key executive personnel compensation	524	434

The remuneration and other terms of employment are formalised in contracts of employment.

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

13 Commitments for expenditure

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	**2013**	**2012**
	$'000	**$'000**
Minimum commitments payable are as follows:		
No later than one year	3,391	2,286
Later than one year but not later than five years	8,271	5,190
Later than five years	430	1,421
Total (including GST)	12,092	8,897

The total accommodation and equipment commitments Include input tax credits of $1,089,699.

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

14 Segment reporting

The company operates in one business and geographical segment, being the provision of Managed Co-location Services in New South Wales.

15 Reconciliation of profit to net cash inflows from operating activities

	2013 $'000	2012 $'000
Profit before tax	402	357
Depreciation of plant and equipment	1,710	2,014
Changes in operating assets and liabilities		
(Increase) in trade and other receivables	(1,069)	(260)
(Increase) /decrease in other assets	(136)	79
(Decrease)/Increase in prepaid revenue	(18)	(41)
Increase / (decrease) in trade creditors and provisions	1,398	(50)
Increase in other liabilities	113	55
Net cashflow provided by operating activities	2,400	2,154

16 Auditor's remuneration

The auditor of the Australian Centre for Advanced Computing and Communication Pty Ltd is the Audit Office of New South Wales.

Amounts due and receivable by the Audit Office of New South Wales:

Assurance services	2013 $'000	2012 $'000
Audit services		
Audit of the financial statements	37	35

Notes to the Financial Statements

for the year ended 30 June 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

17 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.

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

Financial assets Class	Note	Category	Carrying Amount 2013 $'000	Carrying Amount 2012 $'000
Cash and cash equivalents	5	N/A	3,160	2,597
Trade and other receivables 1	6	Loans and Receivables (at amortised cost)	2,945	2,071

Financial liabilities Class	Note	Category	Carrying Amount 2013 $'000	Carrying Amount 2012 $'000
Trade and other payables 2	8	Financial liabilities measured at amortised cost	2,680	1,393
Lease liabilities	10	Interest bearing liabilities at amortised cost	1,618	2,971

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 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

17 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
2013						
Financial liabilities						
Trade and other payables	-	-	-	-	2,680	2,680
Lease liabilities	6.5%	1,097	521	-	-	1,618
Total financial liabilities	-	1,097	521	-	2,680	4,298
2012						
Financial liabilities						
Trade and other payables	-	-	-	-	1,393	1,393
Lease liabilities	7.8%	1,441	1,530	-	-	2,971
Total financial liabilities	-	1,441	1,530	-	1,393	4,364

17 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
2013			
Less than 3 months overdue	26	26	-
3 months to 6 months overdue	4	4	-
Greater than 6 months overdue	-	-	-
2012			
Less than 3 months overdue	137	137	-
3 months to 6 months overdue	1	1	-
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 2013
Australian Centre for Advanced Computing and Communication Pty Ltd

17 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			
2013	**Carrying Amount**	**-1% Profit**	**-1% Equity**	**1% Profit**	**1% Equity**
Financial assets					
Cash and cash equivalents	3,160	(32)	(32)	32	32
Financial Liabilities					
Lease liabilities	1,504	15	15	(15)	(15)

2012	**Carrying Amount**	**-1% Profit**	**-1% Equity**	**1% Profit**	**1% Equity**
Financial assets					
Cash and cash equivalents	2,597	(26)	(26)	26	26
Financial liabilities					
Lease liabilities	2,659	27	27	(27)	(27)

18 Contingent liabilities and assets

ac3 is not aware of any contingent liabilities or assets associated with its operations.

19 Subsequent events

The NSW Government is in the process of divestment of its 100% shareholdings in ac3. Since 1st July 2013, a short list of bidders has been identified by the sale transaction team. A successful outcome of the sale will result in the change of ownership in the company.

--- End of Audited Financial Statements ---

8. Appendices

8.1 Accounts payable performance

For principal department divisions

Corporate Services, Government Services and Policy, Office of the Director General, NSW Fair Trading, NSW Public Works, Land and Property Information, Office of State Revenue

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 61 and 90 days overdue $'000	More than 90 days overdue $'000	Total $'000
All suppliers						
September 2012	39,514	530	64	5	0	40,113
December 2012	28,211	861	83	0	20	29,175
March 2013	56,749	1,453	0	0	33	58,235
June 2013	66,548	445	116	34	127	67,269
Small business suppliers						
September 2012	90	0	0	0	0	90
December 2012	99	25	0	0	0	124
March 2013	262	1	0	0	0	263
June 2013	54	87	0	0	0	141

Note: Small business registration with the department began in January 2012. A small business is defined as an Australian or New Zealand business with an annual turnover of less than $2 million.

Accounts due or paid within each quarter

Measure	Sep-12	Dec-12	Mar-13	Jun-13
All suppliers				
Invoices due for payment (#)	43,943	41,355	33,928	42,128
Invoices paid on time (#)	43,069	40,777	32,972	40,861
Actual percentage of invoices paid on time (based on number of invoices)	98.0%	98.6%	97.2%	97.0%
Amount due for payment ($'000)	499,267	494,049	428,390	514,871
Amount paid on time ($'000)	489,770	488,655	420,531	478,432
Actual percentage of accounts paid on time (based on $)	98.1%	98.9%	98.2%	92.9%
Number of payments for interest on overdue accounts (#)	1	-	-	3
Interest paid on late accounts ($)	41	-	-	1,842

Measure	Sep-12	Dec-12	Mar-13	Jun-13
Small business suppliers				
Invoices due for payment received from small businesses (#)	312	268	217	275
Invoices from small businesses paid on time (#)	297	265	203	260
Actual percentage of small business invoices paid on time (based on number of invoices)	95.2%	98.9%	93.5%	94.5%
Amount due for payment to small businesses ($'000)	976	958	751	1,365
Amount due to small businesses paid on time ($'000)	867	954	622	1,261
Actual percentage of small business accounts paid on time (based on $)	88.8%	99.6%	82.8%	92.3%
Number of payments to small business for interest on overdue accounts (#)	1	-	-	2
Interest paid to small businesses on late accounts ($)	41	-	-	181

Note: the report does not include payments made to employees, payments related to payroll and super. Small business registration began in January 2012. All numbers are reported from 30 days from receipt of a correctly rendered invoice.

The department improved its payment performance by adopting the government's initiative encouraging payments to all suppliers within 30 days from receipt of a correctly rendered invoice. Small businesses are mandated to be paid within 30 days.

The department made three interest payments to small business in the financial year due to administrative failures for which staff have been given additional training and education.

8.2 Annual report preparation

The Department of Finance and Services' annual report was produced internally and no external costs were incurred.

This report is also available in PDF from the Department of Finance and Services website, http://www.finance.nsw.gov.au/about-us/annual-reporting

8.3 Consultants

Engagements over $50,000

Consultant	Office	Category	Purpose	Expenditure
Lee Shearer & Associates	Fair Trading	Organisational review	Review of Compliance & Enforcement Group functions	$67,715
Deloitte	Office of State Revenue	Management services	Infringement Processing and Fine Enforcement Systems Controls Review	$121,235
SMS Consulting Group Ltd	Office of State Revenue	Information technology	Web Strategy Consulting	$99,500
Birchman Group Pty Limited	Government Services	Information technology	Software licence review and advice	$50,400

Consultant	Office	Category	Purpose	Expenditure
Deloitte	Government Services	Organisational review	Preparatory Work for Establishment of Government Business Services	$1,138,535
Deloitte	Government Services	Organisational review	Preparatory work for establishment of Government Business Services (Market Testing)	$257,388
Deloitte	Government Services	Organisational review	Portfolio managed function for the ICT Board	$133,648
Ernst & Young	Organisational Performance & Risk	Management Services	Development of Business Continuity Plan	$145,000
Centre for International Economics	Government Services	Management Services	Cost-recovery options	$54,250
Deloitte	Corporate Services	Management Services	Public Works ERP business case	$37,868
Freehills	Office of Finance	Legal	Divestment Steering Committee (Tranche 1)	$667,624
Freehills	Office of Finance	Legal	Divestment Steering Committee (Tranche 1)	$248,545
Mercer	Office of Finance	Management services	Investment Strategy Project	$164,250
Napier and Blakeley	Office of Finance	Management services	Divestment Steering Committee (Tranche 2)	$160,615
Napier and Blakeley	Office of Finance	Management services	Divestment Steering Committee (Tranche 1)	$150,600
Macquarie Capital	Office of Finance	Management services	Divestment Steering Committee (Tranche 1)	$150,000
Macquarie Capital	Office of Finance	Management services	Property Asset Utilisation Taskforce (PAUT)	$147,554
Monash Private Capital	Office of Finance	Management services	Provision of commercial and consulting services for the ac3 Project	$140,000
Ernst & Young	Office of Finance	Management services	Strategic review of Pillar Administration	$135,160
Jones Lang LaSalle	Office of Finance	Management services	Government Property Register	$122,400
Norman Disney Young	Office of Finance	Management services	Divestment Steering Committee (Tranche 1)	$119,839
CBRE	Office of Finance	Management services	Divestment Steering Committee (Tranche 1)	$96,601
Mercer	Office of Finance	Finance and accounting/tax	Consulting Services in relation to Superannuation and Public Sector Funds	$87,500

Consultant	Office	Category	Purpose	Expenditure
Ironstone Capital	Office of Finance	Finance and accounting/tax	Provision of advisory services in relation to strategic funding options	$75,900
ANZSOG	Office of Finance	Management services	Commissioning Capability Development for NSW Government	$72,727
Monash Private Capital	Office of Finance	Organisational review	Review and assessment of ServiceFirst	$70,000
PwC	Office of Finance	Finance and accounting/tax	Valuation Policy	$68,000
Ernst & Young	Office of Finance	Finance and accounting/tax	Data visualisation training and analysis for improved decision making at the ERC	$67,900
Deloitte	Corporate Head Office	Finance and accounting/tax	DFS cluster tax review	$159,086
Ernst & Young	Corporate Head Office	Finance and accounting/tax	StateFleet tax review	$63,800
Total engagements over $50,000				**$5,073,640**

Engagements under $50,000

Category	Number of engagements	Expenditure
Finance and accounting/tax	10	$217,168
Information technology	1	$9,606
Legal	16	$265,464
Management services	8	$53,664
Organisational review	8	$183,960
Total engagements under $50,000	43	$729,863
Total cost of consultancies		**$5,803,503**

8.4 Consumer response

NSW Fair Trading

NSW Fair Trading publishes Customer Services Standards which outline the service delivery standards the people of NSW can expect when interacting with Fair Trading. NSW Fair Trading encourages the people who we interact with to provide feedback on their experience. This feedback is managed in accordance with the Department of Finance and Services Customer Feedback Management Policy. Feedback can be lodged over the counter, by telephone, via email, by mail or through the NSW Fair Trading website.

In 2012/13, 443 customer feedback responses were received from members of the public. The feedback was comprised of 239 (54%) compliments, 28 (6%) suggestions and 176 (40%) complaints. For the second consecutive year these percentages indicate a small increase in compliments and a

slight decrease in suggestions and complaints received. The majority of Fair Trading's work involves dealing directly with the public, providing information, services and dispute resolution processes between consumers and traders. It is to be expected that the largest proportion of compliments and complaints will relate to staff interactions and outcomes. Of the 239 compliments received, 95% specifically refer to the professionalism and the expertise displayed by the staff members. The remaining 5% refers to processes, policies and procedures Fair Trading has in place.

Complaints are reviewed and addressed by the relevant business unit overseen by a senior manager. In the case of the 176 complaints received 75% related to staff members' perceived shortcomings in service delivery. After reviewing the resolutions for the complaints received, it was found that 44% were found to be unjustified, 27% may have had some substance and/or remedial action was taken and 28% were justified.

The business units use the feedback provided to continually access the effectiveness of processes and procedures. Where necessary, changes are implemented to ensure the service delivered to the people of NSW is of the highest standard. There have been changes to PDF forms on the website to reflect customer feedback along with coaching as part of staff development in the Contact Centre.

Government Services and Policy

NSW Procurement

The NSW Procurement Client Support Centre (CSC) is the central contact point for help or information relating to procurement in NSW. The centre provides advice and assistance to make the process of purchasing goods and services easier for buyers and suppliers. The Client Support Centre operates from 8.30am to 5.00pm Monday to Friday.

In 2012/13 the NSW Procurement CSC received 17,522 enquiries, otherwise known as incidents. An incident is defined as any form of agency/ supplier or citizen enquiry received by the NSW Procurement CSC. Receipt of an incident can be via phone call, email or the NSW ProcurePoint website. Since 2009/10 there has been a continued improvement in the percentage of incidents that are able to be resolved in the first instance. In 2012/13, 82.03% of all incidents were resolved when first received by the NSW Procurement CSC. The CSC received 356 compliments in 2012/13, whilst 10 complaints were received. All 10 complaints were successfully resolved.

The CSC uses the feedback provided by customers to continually improve the effectiveness of processes and procedures. Where necessary, changes are implemented to ensure the service delivered to the people of NSW if of the highest standard.

NSW Procurement Client Support Centre statistics	2009/10	2010/11	2011/12	2012/13
Total number of incidents[1]	29,108	28,078	25,744	17,522
Total number resolved at first level	22,104	22,466	20,759	14,373
% first level	75.94%	80.01%	80.64%	82.03%
Total number resolved in Service Level Agreement (SLA)	27,026	26,837	24,202	16,646
% calls resolved in SLA	92.85%	95.06%	94.01%	95.00%
Compliments	471	370	451	356
Complaints	7	5	5	10

1. Incidents are any form of agency/supplier or citizen enquiry received by the NSW Procurement Client Support Centre. Receipt can be via phone call, email or the NSW ProcurePoint website.

ServiceFirst

ServiceFirst's primary objectives for 2012/13 were to make the customer central to everything we do, improve performance quality standards and reduce the overall cost of service to our clients:

- "Simplify, Save and Serve"
- Improve customer engagement and advocacy
- Enhance the Management Assurance Framework (MAF) that provides an effective way of managing and addressing high risks
- Continue to refine and improve the Service Partnership Agreement and Service Catalogue
- Focus on and align to the Government strategy on procuring service focusing on ICT and new services
- Improve vendor and contract management practices by significant rationalisation of vendors and contracts.

ServiceFirst has a formal complaints-handling strategy and process, and empowers staff to resolve customer issues and complaints. This is a key action item in Customer Service accreditation by the Customer Services Institute of Australia (CSIA) in calendar year 2013.

Following the ServiceFirst survey in 2011, a formal program of work (Project Star) was put in place to address customer service issues. 'Project Star's purpose is to lead a cultural transformation of ServiceFirst staff to deliver customer-focused, efficient and reliable shared services enabling our clients to focus on the core business of serving the NSW Public. The project includes recognition awards, service improvement action plans and service pulse checks.

The next ServiceFirst annual customer survey is due to be conducted in November 2013.

State Fleet

The majority of StateFleet staff have regular frontline contact with clients, primarily by phone. There is also a significant face-to-face component. No complaints from clients were received in the period.

StateFleet's annual Fleet Managers' Conference provides important industry information to clients. The conference is highly valued by clients with 98% of attendees at the 2012 conference rating its value as good and excellent.

The StateFleet Client Satisfaction Survey was conducted over the June 2012/July 2013 period, and the survey results (available July 2013) showed an overall client satisfaction rating of 80%.

Office of State Revenue

OSR incorporates client feedback into improving all aspects of its operations. When an instance of unsatisfactory client service is reported (e.g poor telephone manner), a review is undertaken by a senior manager in the business area. Remediation measures range from calling the client back to apologise, clarifying the issue and providing correct advice if required, to retraining staff on procedures and guidelines to ensure their performance and knowledge meets required standards.

OSR Client Satisfaction Surveys indicated that overall 87% of respondents were generally satisfied with the services provided. With almost 1.5 million phone calls received by OSR's contact centres during this period, this high level of satisfaction reflects the courtesy and professionalism of staff.

Client feedback indicated that our websites required improved layouts, accessibility and navigation. A new State Debt Recovery website was launched for clients to manage their fines and we began to redevelop the OSR website to be launched in November 2013.

Clients requested more self-service and payment options to make managing their interaction easier and quicker. OSR implemented direct debit payment capabilities for penalty notices and electronic payment options for duties. Expansion of online self-service continues, with more companies provided the ability to nominate responsible drivers for penalty notices they receive. Further enhancements to provide greater online information and options are being developed to meet this need.

Client complaints by issue

Issue	Number of complaints
Customer service	42
Dispute regarding decision	1
EPAY/internet/interactive/voice recognition	5
Lack of/delayed response to correspondence	9
Notices not received/address errors	3
Payment issue	0
Request for withdrawal from enforcement	1
Other	1
Total	62

Land and Property Information

Land and Property Information's (LPI) Sydney CBD Customer Service Centre received 156,484 telephone inquiries during the 2012/13 year, which is a 3.2% decrease from the previous year. The Customer Service Centre also received 7,628 email inquiries, an increase of 37.2% on the previous year with 93% answered within the two business day KPI. 24,396 face to face inquiries were answered, an increase of 7.6% on the previous year, with an average wait of 4:36 minutes, well within the 10 minutes KPI.

Customers are still completing our Customer Is our Focus (CIOF) form providing us with valuable feedback. In 2012/13 we received 2,142 completed forms with 98% of customers being satisfied or more than satisfied with LPI's overall performance. Most contact channels (phone, email, face to face) received a satisfaction level above 90% with our website achieving a 88% satisfaction result.

Customers provided positive feedback on a number of different facets of LPI's service, including the knowledge and helpfulness of staff. They also commented on the high standard of LPI's service in contrast to other Government departments. Customer suggestions such as a vocal addition to the queuing system were implemented.

Complaints are reviewed and addressed by the relevant business unit overseen by a senior manager. Of the 12 complaints received last year in Titling and Registry services, six related to product shortcomings, four related to service staff and processes, two related to fees.

LPI's Valuation Customer Service Centre continued progressive implementation of improvements to correspondence with landowners in 2012/13. Valuation systems and business processes were enhanced to provide landholders with better information, including specific reasons, when their land value changed. The first call resolution rate in the Valuation Customer Service Centre remained high at approximately 92%, with an average call answer time of 14 seconds.

8.5 Credit card certification

In accordance with Treasurer's Directions and Premier's Memoranda, the Director General certified that corporate credit card use in the Department of Finance and Services during 2012/13 has been in accordance with established Government requirements and practices.

8.6 Disclosure of controlled entities

For the purpose of financial reporting, the Department of Finance and Services had no controlled entities for the 2012/13 financial year.

In the previous financial year (2011/12) the New South Wales Government Telecommunications Authority (TELCO) and the Australian Centre for Advanced Computing and Communication Pty Ltd (ac3) were classed as controlled entities of the Department of Finance and Services.

8.7 Employment and equal opportunity statistics

Department of Finance and Services staff numbers

	30 June 2008[1]	30 June 2009[1]	30 June 2010[1]	30 June 2011[1]	30 June 2012[1]	30 June 2013[5]
Archivist	33.6	32.3	29.1	32.5	32.6	29.8
Clerical Assistant	2.0	2.0	2.0	2.0	1.0	-
Clerical Officer	124.2	6.2	4.0	6.0	66.9	3.6
Clerk	3071.7	3253.1	2692.6	3867.6	4177.1	3825.2
Conservator	2.8	2.0	2.0	2.9	1.8	2.1
Corporate Management	-	-	-	15.8	-	-
Departmental Officers	-	-	-	1085.8	904.5	864.9
Legal Officer	24.9	28.6	25.6	25.2	28.1	19.8
Professional	242.5	256.7	251.8	246.8	259.9	216.3
Project	2.0	2.0	2.0	2.0	4.0	5.0
Property Management	-	-	-	89.0	-	-
Senior Executive Service	51.6	33.9	31.0	57.0	62.7	74.0
Senior Management	41.6	23.6	25.6	22.0	39.8	28.0
Senior Officer	174.3	198.0	154.3	207.9	255.1	201.5
Technical	19.2	13.2	11.6	21.6	26.6	15.6
Wages	136.0	137.0	136.0	157.0	143.0	124.3
Other General Divisions	11.5	11.6	10.1	12.2	11.4	10.1
Total	3937.9	4000.2[2]	3377.7	5853.4[3]	6014.4[4]	5420.1

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.

Note 4: 522 of total made up of NSW Land & Housing Corporation staff transferred to the Department of Finance and Services in October 2011.

Note 5: Includes NSW Land & Housing Corporation (LAHC) staff. LAHC was transferred to the Family and Community Services (FACS) cluster in August 2013. Their 2012/13 annual report will be included in that of FACS.

Senior Executive Service

SES Level	30 June 2009	30 June 2010	30 June 2011	30 June 2012[1,2]	30 June 2013
8	1	1	1	1	1
7	0	0	0	4	1
6	2	3	4	9	9
5	6	6	11	13	12
4	10	9	11	13	14
3	11	8	16	15	23
2	2	4	7	2	11
1	0	0	1	1	2
Total	32	31	51[1]	58[2]	73
Positions filled by women	3	3	7	7	14
Unattached	-	-	-	-	-

Note 1: 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. NSW Industrial Relations and the Long Service Corporation were transferred to Treasury in September 2012 and are not included.

Note 2: Total includes the NSW Land & Housing Corporation (LAHC) staff transferred to the Department of Finance and Services in July 2011. LAHC transferred to the Department of Family and Community Services (FACS) in August 2013 and their report for 2012/13 is included in that of FACS.

Equal Employment Opportunity (EEO) Statistics

Table A - Trends in the representation of EEO groups[1]

% of total staff[2]							
EEO Group	Benchmark or target	2008	2009	2010	2011[6]	2012[6]	2013[7]
Women	50%	45%	45%	42.1%	46.6%	47.9%	49.0%
Aboriginal people and Torres Strait Islanders	2.6%[3]	3%	2%	1.4%	1.6%	1.5%	1.6%
People whose first language was not English	19%	25%	25%	23.4%	25.3%	23.6%	23.8%
People with a disability	NA[4]	9%	8%	5.8%	7.3%	19.9%	19.2%

People with a disability requiring work-related adjustment[5]	1.1% (2011) 1.3% (2012) 1.5% (2013)	3%	3%	2.2%	2.8%	2.3%	2.1%

Table B – Trends in the distribution of EEO groups[8]

Distribution index[2]							
EEO Group	**Benchmark or target**	**2008**	**2009**	**2010**	**2011[6]**	**2012[6]**	**2013[7]**
Women	100	88	89	91	90	88	89
Aboriginal people and Torres Strait Islanders	100	76	78	88	86	89	91
People whose first language was not English	100	96	97	100	101	96	96
People with a disability	100	96	97	96	93	96	97
People with a disability requiring work-related adjustment	100	89	88	91	85	92	88

Information for the above tables is provided by the NSW Public Service Commission.

Note 1: EEO statistics are based on staff numbers as at 20 June 2013

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: EEO statistics for 2011 and 2012 have been adjusted to reflect the current composition of the department, and may vary from those reported in previous annual reports

Note 7: From 2013 onwards, excludes staff that transferred to the Treasury cluster in October 2012 from NSW Industrial Relations and Long Service Corporation.

Note 8: 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.

8.8 Disability action plan

DFS is committed to creating an inclusive working environment for people with a disability. The Disability Action Plan assisted staff and customers with a disability to access services, information, employment opportunities, and internal learning and development initiatives.

Interagency initiatives

The department continued to be an active supporter of the Ready, Willing and Able (RWA) program initiated by the Department of Family and Community Services. This was in line with the outcomes of the plan relating to identifying and removing barriers to service for people with a disability and increasing their employment participation. Key activities included:

- Employed a JumpSTART Cadet with a disability within Corporate Services.

- Provided information about the RWA program within the Institute of Public Administration Australia (IPAA) NSW Procurement Certification Training Program
- Awarded long and short term procurement contracts worth $151,000 to Australian Disability Enterprises via National Disability Services. Contracts included $64,000 for the contract extension for WorkCover Testsafe grounds maintenance, and various ground maintenance jobs throughout the State for Land and Housing Corporation. An additional 23 supported employees were engaged on these projects
- Participated in the 'Disabling the Barriers' project organised by the Public Service Commission. Office of State Revenue employees with a disability, and their managers, were interviewed as part of this project. The findings of this project provided input in the next stage of the NSW Public Sector Disability Employment Strategy
- Supported Wheelchair Sports NSW by providing vehicles to transport wheelchair athletes to and from airports, hotels etc. These vehicles were provided on request from the Department of Premier and Cabinet at no charge. In 2012, StateFleet provided 18 vehicles for 18 days. StateFleet has supported this program for approximately 15 years.

Events and celebrations

DFS celebrated the International Day of People with Disability with a morning tea and guest presentation by inspirational Paralympian Alexandra Green, Bronze medal winner in Cycling at the London Paralympics in 2012. This event was managed by staff members with a disability and attended by senior management and staff.

DFS sponsored deaf staff and their managers to attend the breakfast launch of 'National Week of Deaf People 2012' organised by the Deaf Society at the NSW Parliament House.

Office of State Revenue sponsored the 'Don't DIS my ABILITY' campaign and celebrated Loud Shirt Day, a fundraiser to help deaf children speak.

External clients

Consistent with the disability Action Plan, DFS identified and removed the barriers to services for external clients and ensured that information was made available in a range of formats.

The State Records Authority installed a Garaventer stair climber to enable clients with physical disability to access the reading room in Kingswood.

The Office of State Revenue provided assistance through Work Development Orders to clients with a mental illness, intellectual disability, cognitive impairment and those who were homeless or experienced acute economic hardship. These orders assisted clients to pay fines/debt by non-monetary methods.

NSW Fair Trading created the 'Model Constitution' booklet and 'Your home - your car - your money' flyer in Braille. 'Your home - your car - your money' is also available in the audio format. 'Renting a home' and 'Know your rights as consumers and traders' DVDs were also available with English captions and in 17 languages.

More than 100 fact sheets on the NSW Fair Trading website are available in large print.

Internal programs

The Disability Action Plan continued to be the guiding document for staff and customers with a disability, assisting them to access services, employment and career opportunities.

DFS relaunched the Accessibility Network with presentations from the Australian Network on Disability and the Deaf Society. This network was open to all staff, managers and people with an interest in disability-related issues.

Implemented Personal Emergency Evacuation Plans (PEEP) for people with permanent or temporary disability/special needs within the Office of State Revenue. This included raising awareness through the OSR intranet and providing training for Fire Wardens and appropriate staff.

A senior staff member with a disability spoke at the Office of State Revenue induction about the support available to staff with a disability, including making reasonable adjustments.

Office of State Revenue trained staff in dealing with vulnerable people and provided disability awareness training to their staff.

DFS assisted people with a disability to participate in public consultations and to apply for and participate in government advisory boards and committees.

- A hearing impaired officer from Land and Property Information (LPI) was selected to be part of the City of Sydney's first Inclusion Advisory Panel in November 2012. This panel will help improve the lives of people with disability who live, work and visit Sydney by providing expert advice to the City of Sydney Council about needs of the disability sector, strategic planning, policy development and community consultation.

Forward planning

DFS will conducted a Diversity and Inclusion Survey in August 2013. This survey aims to capture the relationship between diversity, inclusion and business performance. The findings of the survey will assist DFS to understand the perceptions and experiences of specific demographic groups and to identify any employment and development barriers experienced by them

DFS will develop Disability Action Plan and strategies aimed at increasing the representation of people with a disability in senior positions.

8.9 Employment relations policies and practices

Employment relations policies and practices

DFS has been proactive in engaging with unions and other stakeholders during 2012/13 through formal and informal arrangements. A Memorandum of Understanding and terms of reference are in operation for the departmental peak consultative forum - the DFS Consultative Committee (DFS CC). During the year, five formal organisation-wide consultative committee meetings were held in addition to local level consultative forums held in NSW Fair Trading, Office of State Revenue, State Records Authority and with Ministerial day labour staff employed in the Sydney Region, NSW Public Works.

In response to changing needs, reform agenda items were moved from the separate Reform Consultative Committee to a standing agenda item at the DFS CC. Of the significant number of issues and matters discussed as part of the formal consultative processes, only five formal disputes were referred to the NSW Industrial Relations Commission in 2012/13, all of which were resolved through conciliation.

No working days were lost to industrial activity during 2012/13.

Consultative programs and organisational wide initiatives

In 2012/13, DFS continued to focus on the management of excess recreation leave balances (defined as greater than thirty days accumulated recreation leave) to meet the Government's requirement to reduce leave balances below 30 days by 2015. Employment Relations staff assisted managers to develop management plans to reduce the number of staff with excess recreation leave.

A program of consultation with unions and stakeholders was undertaken to promote our commitment to fostering a respectful workplace. This led to the development of the DFS Dignity and Respect

Charter which will be launched in July 2013. It complements the sector-wide charter and provides an agreed framework that distinguishes between bullying and genuine workplace management practices.

The application of sector-wide policies for the managing of excess employees and case management and redeployment guidelines were the subject of increased scrutiny during 2012/13. This resulted in the development of a standardised restructure process which will clarify the application of the guidelines within DFS. This work also identified the need to update and promote the DFS Managing Industrial Relations Communications Policy which will be the focus for 2013/14.

Salaries, wages and allowances

There were no exceptional movements in wages, salaries or allowances during 2012/13. However there has been an impact on wage negotiations for the financial year 2013/14 due to increases set out in superannuation legislation.

The Superannuation Guarantee (Administration) Amendment Bill 2011 amended the *Superannuation Guarantee (Administration) Act 1992* to incrementally increase the super guarantee from 9% to12% commencing 1 July 2013.

Award arrangements

In consultation with Public Sector Industrial Relations (PSIR) DFS award arrangements relating to Waste Asset Management Corporation (WAMC) salaried staff were moved from the Commonwealth jurisdiction to the State (NSW). A new State award was approved by the Industrial Relations Commission in August 2012 for these staff; however, staff employed under operations classifications are still working under Commonwealth Enterprise Agreements. As these agreements expire in late 2013 they will be replaced with a new State award to cover the operations classifications contained in both enterprise agreements.

Flexible Working Hours Agreement (FWHA)

The department has five flexible working hours arrangements currently in operation with the DFS FWHA used as a model for the sector. In late 2012, the People and Workplace Executive sub-committee considered consolidating flex arrangements across the agency.

Equity and diversity

The Department of Finance and Services is committed to enhancing the diversity of its staff through the inclusion of people of different ages, genders, ethnic/religious backgrounds and caring responsibilities, to ensure it is reflective of the broader diversity represented within the NSW community. The department aims to create an environment that values and utilises the contribution of staff from differing backgrounds, experiences and perspectives.

Representation of equity groups in DFS at 30 June 2013:

- The representation of women was 49% against the sector target of 50%
- The representation of people with a disability requiring adjustment was 2.1% against the sector target of 1.5% by 2013
- The representation of people whose first language was not English was 23.8% against the sector target of 19%
- The representation of Aboriginal and Torres Strait Islander staff was 1.6% against the sector target of 2.6% by 2015.

Public Service Commission's People Matter Survey: Comparison of responses of staff within DFS and the Sector relating to Equity and Diversity

In July 2012 the Public Service Commission conducted the inaugural People Matter survey across the NSW public sector. For the first time, all employees within the sector had an opportunity to have their say about their perceptions on values and the workplace culture within their organisation.

The survey included questions related to the theme of Equal Employment Opportunities (EEO). Outlined below are the People Matter EEO questions with DFS results compared to whole of sector results:

Staff experiences about Equal Employment Opportunity	DFS (%)	Sector (%)
Equal employment opportunity is provided in my organisation	87	85
Gender is not a barrier to success in my workgroup	88	88
Disability is not a barrier to success in my workgroup	92	86
Age is not a barrier to success in my workgroup	85	86
Cultural background is not a barrier to success in my workgroup	92	91
My organisation is committed to creating a diverse workforce	90	88

The results showed that DFS performed well against the sector on most aspects of diversity and inclusion; however there remained an opportunity to improve. DFS will conduct its own Diversity and Inclusion Survey in 2013/14 and its findings will help target strategies and plans.

Women

The *Women's Workforce Strategy 2009-2012* aimed to attract, develop and retain women across all levels of the department. As part of this initiative a range of development opportunities were provided to women across the organisation:

- DFS continued to organise its popular and highly effective My Mentor program sponsoring 23 women. Senior leaders from public and private sector shared their experiences and provided guidance to participants. Regional staff participated in this program via tele and videoconferencing
- Four women attended the Leadership Toolkit 2012 hosted by Women and Leadership Australia
- More than 100 women participated in the career resilience workshops Building Confidence and Personal Presence facilitated by Xplore for Success
- The department hosted two tables with eighteen staff from Metropolitan Sydney and Regional offices to attend the United Nations International Women's Day Breakfasts at Sydney and Parramatta.
- Several events were organised across the department for International Women's Day. More than 100 staff enjoyed a panel discussion on The Gender Agenda. Panellists were: Dr Peta Seaton, Director of Strategic Priorities, Office of the NSW Premier; Katie Page, CEO, Harvey Norman and member of PSC Advisory Board; and Catherine Fox, author and journalist.

During 2013/14, the department will develop a new DFS Women's Workforce Strategy aimed at increasing the representation of women in senior positions. The findings of the 2013 Diversity and Inclusion Survey will assist with this strategy development.

Aboriginal Workforce Strategy

The inaugural DFS-wide *Aboriginal Workforce Strategy* (AWS) was developed during 2012/13 and officially launched in June 2013. The strategy will help all DFS divisions meet the NSW Government benchmark for Aboriginal employment target of 2.6% by 2015. The AWS key components:

- Focus efforts on attracting and engaging Aboriginal staff
- Recognise that cultural education throughout DFS is critical to inclusion of its Aboriginal staff. DFS has set mandatory minimum requirements for Aboriginal cultural competence in which all staff must participate over the next three years. These include two-day executive and senior leadership training with TAFE NSW and a comprehensive online cultural education program, endorsed by TAFE NSW, for remaining DFS employees
- Commit to the career and professional development of Aboriginal staff.

As part of the development of the AWS, elements were introduced concurrently and included:

- The submission of 16 applications for the Elsa Dixon Aboriginal employment program during 2012/13, with 15 places approved. This was supported by targeted recruitment
- Piloting of the two-day executive and senior leadership training with TAFE NSW, in which 51 staff participated
- Successfully providing secondment and work placement opportunities for Aboriginal staff to develop their careers
- Offering professional development opportunities, change management and business skills courses to Aboriginal staff
- Commissioning a local Aboriginal artist to produce an artwork titled ‘stronger services, stronger futures’. This artwork was incorporated into the strategy and was unveiled during July’s annual NAIDOC celebrations.

Over the coming year the department will promote and deliver the AWS initiatives.

Young workers

Young workers (staff aged 35 years and under) within DFS are supported by a Young Professionals Network (YPN), which provides networking and professional development opportunities for over 324 active members. Key achievements for 2012/13 included:

- Sponsorships to Young Leaders Conference
- Formal training courses in strategic influencing, communication and negotiation skills
- An intensive Aspiring Managers’ program
- Sponsorships for the IPAA CEO and Young Professionals Breakfast and Let’s Talk forum, which was actively supported by the Director General.

YPN supported the community by arranging three Red Cross blood donation drives and fundraising events for Mother’s Day (Breast Cancer Foundation) and Valentine’s Day (Salvation Army Red Shield Appeal).

The two-year DFS Graduate Program offers professional and business development experiences, including a structured mentoring program. DFS is also an active supporter of the JumpSTART Cadetship program providing employment, support and development opportunities to people less than 25 years of age.

DFS regularly provides work experience opportunities for University, TAFE or high school students. These programs are part of the department’s Workforce Planning initiatives to attract, develop and retain young workers.

Mature workers

The department values the skills, knowledge and experience of mature workers and provided support and career guidance by organising career and retirement planning seminars. Over 150 staff (some with partners) participated in Envisage career and retirement planning seminars facilitated by Sageco. One of three seminars was delivered via webinar for regional staff.

Carers

The department has formalised a plan to support the *NSW Carers (Recognition) Act 2010* which was introduced to recognise carers and to establish a Carers Advisory Council. DFS provided a suite of flexible work arrangements to support staff to balance work and caring responsibilities.

DFS was re-accredited as a breastfeeding friendly workplace by the Australian Breastfeeding Association. It continued to sponsor childcare places at Nanbaree Child Care Centre and continued to make the childcare and eldercare kits, created by Families at Work, available to all staff via the Intranet.

DFS is planning to organise Carers' Week to promote and raise awareness of the services and support available to staff with caring responsibilities.

8.10 Multicultural policies and services program plan

The *Multicultural Policies and Services Program Plan 2010-2014* ensures that DFS delivers services to clients and staff from culturally and linguistically diverse (CALD) backgrounds and complies with the NSW Government's Multicultural Planning Framework.

Among the notable activities in 2012/13:

- Sponsored ten staff to attend the Premier's Harmony Dinner on 10 April 2013. Hosted by the Hon. Barry O'Farrell MP, Premier of NSW, along with the Hon. Victor Dominello MP, Minister for Citizenship and Communities, this dinner acknowledged and celebrated the contribution made by the multicultural staff and the community
- Showcased the talents and stories of staff members as part of the Harmony Day theme 'Many Stories- One Australia'. The program included: Sign N Sing Korean dance, henna application on hands, peacock dance performance, as well as information about voluntary work for children in Kenya and people with intellectual disability
- Provided grants of $200 each to nine DFS business units to enable them to organise their own Harmony Day celebrations.
- Promoted within DFS, Multicultural March, a month long celebration held in March that recognises multiculturalism as one of the greatest NSW success stories
- DFS was recognised in the University of NSW publication Giving to University of NSW 2010-2012 for a one off donation of $2,000 to 'Football United' a Refugee Youth Soccer Development Program. The program worked in partnership with councils, migrant resource centres, football clubs and associations to build opportunities for social inclusion among the 7,000 refugee children who arrive in Australia every year
- A staff member from NSW Procurement participated in the annual diversity debate organised by the Diversity Council of Australia on Racism: A minor obstacle or a major roadblock?
- In November 2012 a staff member from Land and Property Information was selected to be a part of the City of Sydney's first Inclusion Advisory Panel. This panel aims to improve the lives of people with disability who are living, working and visiting Sydney.

Expert advice is provided about needs of the disability sector, strategic planning, policy development and community consultation

- A NSW Procurement staff member also participated in the Migrant Workers and Labour Exploitation Project, conducted by the Australian Red Cross. The aim of the project was to raise community awareness about identifying labour exploitation and human trafficking as well as outlining the steps to take if someone was being exploited
- Staff celebrated the Indian Festival of Lights, 'Diwali' in November 2012
- DFS continued to be a strong supporter of the Community Language Allowance Scheme providing language assistance in 26 languages to people from non-English speaking backgrounds. Across DFS, more than 78 staff members act as language aides
- Several staff development and retention programs were organised. These programs included an eight-week course on improving pronunciation skills and sponsorships to attend Australian Institute of Company Directors' courses.
- The Office of State Revenue improved information on their website by adding fact sheets in five languages
- A senior staff member from Office of State Revenue was one of 40 people appointed as People of Australia Ambassadors. This role provides a link between local communities and the Australian Multicultural Council
- The Commissioner for Fair Trading launched the DVD Renting a home: a tenant's guide to rights and responsibilities at the 2012 Annual Multicultural Media Conference, a key event promoting Fair Trading services. This DVD promotes awareness of tenants' rights and responsibilities to the CALD community. Each DVD comprises 10 short videos. An accompanying CD contains translated scripts and a checklist of the 10 video topics. This resource has been produced in 17 languages: Arabic, Assyrian, Burmese, Cantonese, Dari, Dinka, English, Farsi, Hazaragi, Indonesian, Korean, Kirundi, Nepalese, Mandarin, Swahili, Tamil and Vietnamese. These DVDs were widely distributed to educators and community-based organisations and are available to a wider audience through YouTube and the Fair Trading website
- Think Smart Program, focused on building long-term relationships with the community, has 36 partners – 28 community organisations and eight multilingual media
- Think Smart on Consumer Rights seminar was organised to increase awareness of consumer protection issues and Fair Trading services
- Small business seminars for migrant traders, presented by Fair Trading, were organised at Blacktown in collaboration with Blacktown City Council and the Australia Philippines Chamber of Commerce and Industry, targeting the Filipino traders and other traders from CALD backgrounds
- NSW Fair Trading set up an information stall at the AfriCulture Festival held at Auburn Park. This festival was attended by over 20,000 people
- Buying a used car brochure, produced by NSW Fair Trading, is available in English and in six other languages: Arabic, Chinese, Dinka, Farsi, Tamil and Vietnamese. This brochure provides an overview on what to look out for when searching for and buying a used car in New South Wales. These brochures were distributed to Think Smart partners, Migrant Resource Centres, community organisations, English language providers and NSW libraries
- Selected information for traders and consumers is now available in 31 community languages, including those of new and emerging communities, through the website and translated publication page

- NSW Fair Trading, acting on behalf of all consumer protection agencies across Australia, has developed a new educational resource aimed at improving the awareness of consumer rights of humanitarian entrants and refugees. It is expected to be launched in August 2013. The resource will consist of a series of animated videos in a range of community languages which will explain, in appropriately simple terms, several of the provisions of the Australian Consumer Law.

Forward planning

DFS will continue to celebrate Multiculturalism by organising and providing sponsorships to events such as Premier's Harmony Dinner, in-house Harmony Day events and continue to develop and retain Multicultural staff by providing them specific development, mentoring, training and networking opportunities.

NSW Fair Trading, acting on behalf of all consumer protection agencies across Australia, will launch a new educational resource aimed at improving the awareness of consumer rights of humanitarian entrants and refugees. It is expected to be launched in August 2013. The resource will consist of a series of animated videos in a range of community languages which will explain, in appropriately simple terms, several of the provisions of the Australian Consumer Law.

NSW Fair Trading will conduct:

- Its annual Multicultural Media Conference - as a key event of Fair Trading Week In November 2013
- Two Think Smart on Consumer Rights Seminars as well as an additional seminar for migrant traders.

8.11 Work health and safety & injury management

The department is committed to providing a healthy and safe workplace for all workers including contractors, agency staff and volunteers.

A number of initiatives were undertaken in 2012/13 with the aim of preventing injuries and illnesses and promoting timely, sustainable and early return to work for injured workers. These included:

- Final reporting for the NSW Government public sector strategies Working Together Public Sector Workplace Health and Safety and Injury Management Strategy 2010–2012 and Leading Well: The Role of Leadership in Improving the Prevention and Management of Psychological Injury. DFS continued to monitor its progress against targets under these strategies through the Self Insurance Corporation data warehouse.
- Establishing a Work Health and Safety (WHS) Injury Management (IM) Community of Practice Working Group. This group comprised former Leading Well and Working Together Group members and senior WHS IM representatives from across the department. The working group's scope included the effective design and implementation of the WHS management system and associated corporate programs and projects, including WHS policy harmonisation.
- Updating WHS policies and procedures to ensure they reflected current legislation and covered all DFS divisions
- Attendance by senior management, WHS IM representatives at bi-annual meetings with the WorkCover Authority of NSW to promote communication and information exchange on: WHS issues and priorities; consultation; training and development activities. Activities included:

- Providing effective committee training for DFS Health and Safety Committees (HSCs) to give them information about current WHS legislation and to help them effectively perform their role
- Providing office ergonomics train the trainer workshops for HSCs, health and safety representatives and others. The aim of the course was to give participants additional instruction to enable them to guide and advise staff in their business areas about correct workstation set-up in accordance with DFS policies and procedures
- Conducting targeted training in December 2012 for Human Resource (HR) business consultants and IM consultants on the recognition and management of psychological injury and mental illness in the workplace and the Bio-psychosocial Model of Injury Management
- DFS provided Employee Assistance Program (EAP) presentations in May 2013 for all staff. NSW Public Works regions including Riverina, Hunter/New England and South Coast participated in the EAP presentation via video conference
- Implementing campaigns to increase awareness of the timely reporting and management of WHS and IM issues, including monthly reporting to the Executive.

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:

- The department's annual flu vaccination program provided access to free on-site flu vaccinations aimed at minimising the risk of contracting the influenza virus. Implemented in 31 locations throughout NSW, the program was open to participants from all divisions including contractors and external agencies working in the same premises.
- A comprehensive approach to protecting staff health in line with NSW Health initiatives was implemented in the lead up to the winter season including:
  - Using NSW Health Department posters to promote good hygiene practices and remind staff about coughing etiquette
  - Placing hand sanitizers in bathrooms and common areas
  - Using surface wipes to clean furniture and equipment such as desks and phone handsets
  - Providing face-masks and wipes on request.
- The Global Corporate Challenge (GCC) was supported for the fifth consecutive year. This corporate health and wellbeing program encouraged workers to make behavioural changes to their lifestyle in order to improve their health and fitness and to reduce their risk of chronic disease. In 2013, 686 people from all divisions participated in the GCC.

Workers Compensation Claims

	2007/08	2008/09	2009/10	2010/11	2011/12[2]	2012/13[2]	2012/13	2012/13[3]	2012/13[5]
	No. of injuries resulting in claims[6]						No of injuries resulting in lost time	Total time lost due to injuries (in days)	Average time lost per injury (in days)
NSW Fair	51	45	66	65	64	29	11	165.5	15.0

	2007/08	2008/09	2009/10	2010/11	2011/12[2]	2012/13[2]	2012/13	2012/13[3]	2012/13[5]
	No. of injuries resulting in claims[6]						No of injuries resulting in lost time	Total time lost due to injuries (in days)	Average time lost per injury (in days)
Trading									
NSW Industrial Relations	10	13	14	9	11	1	0	0	0
NSW Procurement	2	4	2	4	2	0	0	0	0
ServiceFirst	8	12	23	20	18	7	3	37.5	12.5
Public Works and others[1]	39	36	52	48	59	23	7	41.7	6.0
Construction Services Group	28	23	34	31	17	14	5	26.4	5.3
Office of State Revenue[4]	-	-	-	38	55	23	12	224.5	18.7
Land and Property Information[4]	-	-	33	47	35	24	16	326	20.4
Waste Asset Management Corporation[4]	-	-	-	7	8	3	2	233.4	116.7
Land and Housing Corporation[4, 8]	-	-	-	-	3	13	6	138	23
Housing and Property Group[4]	-	-	4	1	2	2	0	0	0
State Records[4]	-	-	3	10	10	5	3	146.6	48.9
Long Service Corporation[4]	-	-	-	-	4	2	1	3.0	3.0
Teacher Housing Authority[4]	-	-	2	0	0	0	0	0	0
Telco[4]	-	-	-	0	0	0	0	0	0
Govt cleaning service	0	0	0	0	0	1	0	0	0
Total	138	133	233	280	288	147	66	1342.6	20.3

1. NSW Public Works and others includes all other divisions within the department not specifically itemised in this table.
2. Claim numbers may increase for late notification of injury.
3. Time lost data will continue to change as claims mature and data is updated by the Insurer with payment of wage reimbursement schedule.

4. Data for previous years not available. Data is updated as agencies join/exit the department
5. Total 2012/13 average time lost per injury (total lost time in hours / 7 (7.6 for Construction Services Group) to show lost time in days) represents the average time lost per injury across the department. Data source: SICorp Data Warehouse claims extract July 2013
6. Injuries includes illnesses.
7. Staff from NSW Industrial Relations were transferred to NSW Treasury in September 2012 and current claims are not included.
8. Land & Housing Corporation (LAHC) staff are included. LAHC was transferred to the Family and Community Services (FACS) cluster in August 2013 and its 2012/13 report is included in that of the Department of Family and Community Services.

8.12 Funds granted to non-government community organisations

NSW Fair Trading

Aged Care Supported Accommodation Service

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 (100%),

Funded organisation	Purpose	Annual funding
The Aged-Care Rights Service Inc	The Aged-Care Rights Service (TARS)	$425,428.09
TOTAL		$425,428.09

Home Building Advocacy Service 2012/13 (HoBAS)

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	Annual funding
Macquarie Legal Centre	Home Building Advocacy Service (HoBAS)	$236,010.10
TOTAL		$236,010.10

Tenants Advice and Advocacy Program

In 2012/13, 23 community organisations were funded under the Tenants Advice and Advocacy Program (TAAP) to provide advice and advocacy on tenancy matters, with 29,841 people assisted. Of those, 12 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	Annual funding
Tenants Union of NSW Co-operative Limited	Tenants Union of NSW	$691,661.40
Tenants Union of NSW Co-operative Limited	Residential Parks Solicitor	$97,508.58
Tenants Union of NSW Co-operative Limited	Aboriginal Legal Officer	$141,691.25
Dtarawarra Pty Ltd	Aboriginal Resource Unit	$171,393.37

Funded organisation	Purpose	Annual funding
Combined Pensioners & Superannuants Association of NSW Inc (CPSA)	Older Persons Tenants Service (OPTS)	$217,407.49
Combined Pensioners & Superannuants Association of NSW Inc (CPSA)	Park and Village Service (PAVS)	$227,521.25
Redfern Legal Centre	Inner Sydney Tenants Advice & Advocacy Service (ISTAAS)	$288,282.48
Eastern Area Tenants Service Incorporated	Eastern Area Tenants Service Inc (EATS)	$291,027.02
Marrickville Legal Centre	Inner West Tenants Advice and Advocacy Service	$297,202.26
NorWest LINCS Incorporated	Northern Area Tenants Service (NATS)	$402,532.50
Metro Migrant Resource Centre Inc	Southern Sydney Tenants Advice & Advocacy Service (SSTAAS)	$447,792.37
Macarthur Legal Centre	South West Sydney Tenants Advice and Advocacy Service (SWSTAAS)	$365,221.74
NorWest LINCS Incorporated	North Western Sydney Tenants Service (NWESTS)	$280,538.86
Macquarie Legal Centre	Western Sydney Tenants Service (WESTS - Parramatta)	$327,295.34
Elizabeth Evatt Community Legal Centre	Western Sydney Tenants Service (WESTS - Blue Mountains)	$56,107.77
Central Coast Tenants Advice and Advocacy Service Inc	Central Coast Tenants Advice and Advocacy Service (CCTAAS)	$284,851.81
Hunter Regional Neighbourhood Centre Forum Inc	Hunter Tenants Advice & Advocacy Service	$410,351.26
Illawarra Legal Centre	Illawarra Tenants Service	$325,450.95
Port Macquarie Neighbourhood Centre Inc	Mid Coast Tenants Advice and Advocacy Service	$335,885.31
Northern Rivers Community Legal Centre Inc	Northern Rivers Tenants Advice and Advocacy Service (NORTAAS)	$335,885.31
Central West Community College	South Western NSW Tenants Service	$882,024.30
New England and Western Tenants Advice and Advocacy Service Incorporated	New England and Western Tenants Advice and Advocacy Service (NEWTAAS)	$529,015.93
Northern NSW Aboriginal Tenants Advice and Advocacy Service Inc	Northern NSW Aboriginal Tenants Advice and Advocacy Service (NATAAS)	$546,421.58
CareWest Incorporated	Western Aboriginal Tenants Advice and Advocacy Service (WATAAS)	$531,853.27
Management and Advisory Services Aboriginal Corporation	Murra Mia Tenants Advice and Advocacy Service	$479,639.22
Dtarawarra Pty Ltd	Greater Sydney Aboriginal Tenants Service (GSATS)	$302,691.35
TAAP Special Purpose Fund	Unforeseen expenditure which is directly linked to	$100,000.00

Funded organisation	Purpose	Annual funding
	the provision of service of tenants	
TOTAL		$9,367,253.98

Financial Counselling Services Program (July 2012 – November 2012)

In 2012/13, the total number of new clients seeking financial counselling assistance totalled 16,206. There were also 54,220 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	Annual funding
Anglicare North Coast	Anglicare North Coast - Coffs Harbour Service and Grafton Outreach Service	$45,232.77
Anglicare Canberra and Goulburn	Anglicare South East Financial Counselling Service	$17,344.01
C.A.R.E. Incorporated	Care Inc. Financial Counselling Service - Queanbeyan	$28,687.58
Centacare Wilcannia-Forbes	Centacare Wilcannia - Forbes Financial Counselling Service	$33,788.27
Centacare Wilcannia-Forbes	Manage Your Income Financial Counselling Service (Broken Hill)	$18,663.11
Christian Community Aid Service Inc (CCA)	CCAS Financial Counselling Program	$31,860.51
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre - Hotline	$149,031.43
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre - Legal Service	$79,599.62
Creating Links Co-operative Ltd	Creating Links Co-operative Financial Counselling Service	$43,108.31
Eastlakes Family Support Service Inc	Eastlakes Family Support Financial Counselling Service	$12,753.62
Eurobodalla Family Support Service Inc	Eurobodalla Financial Counselling Service	$23,585.28
Financial Counselling Hunter Valley Project Inc	Hunter Valley Project Financial Counselling Service	$46,557.65
Financial Counselling Hunter Valley Project Inc	Hunter Valley Project NESB / CALD / ATSI Financial Counselling Service	$11,893.29
Gosford City Community Information Service Ltd	Gosford / Wyong Financial Counselling Service	$43,780.75
Granville Multicultural Community Centre Inc	Granville Financial Counselling Service	$36,576.06
Illawarra Legal Centre Inc	Illawarra Legal Centre - Legal Service	$15,457.04
Illawarra Legal Centre Inc	Illawarra Legal Centre - Financial Counselling Service	$24,020.12
Jesmond Neighbourhood Centre Inc.	Jesmond Neighbourhood Centre Financial	$32,618.68

Funded organisation	Purpose	Annual funding
	Counselling Service	
Kempsey Neighbourhood Centre Inc	Kempsey Financial Counselling Service	$52,324.68
Kempsey Neighbourhood Centre Inc	Kempsey Financial Counselling Service - Indigenous Outreach	$18,663.11
Lifeline Broken Hill Inc	Far West Credit Counselling Service	$46,320.07
Lifeline Central West Incorporated	Lifeline Central West Counselling Services	$61,252.75
Lifeline Central West Incorporated	Lifeline Central West NESB / CALD / ATSI Financial Counselling Service	$6,727.61
Lifeline Harbour to Hawkesbury Inc.	Lifeline Harbour to Hawkesbury Financial Counselling Service	$40,391.32
Lismore & District Financial Counselling Service Inc	Lismore Financial Counselling Service and Mullumbimby / Byron Bay Outreach Service	$64,848.04
Macarthur Legal Centre Inc	Macarthur Legal Centre Financial Counselling Service	$18,891.46
Macarthur Legal Centre Inc	Macarthur Legal Centre NESB / CALD / ATSI Financial Counselling Service	$18,663.11
Mission Australia	Mission Australia Financial Counselling Service - Campbelltown	$41,983.68
Mission Australia	Mission Australia Creditworthy Wollongong	$18,434.83
Mission Australia	Mission Australia Creditworthy Wollongong - (Dapto / Warilla)	$18,526.19
Mission Australia	Mission Australia Creditworthy Wollongong (Moss Vale)	$43,897.80
Mission Australia	Mission Australia Creditworthy Wollongong (Dapto, Bulli, Warilla & Moss Vale)	$64,023.23
Mission Australia	Mission Australia Financial Counselling Service - Griffith	$19,659.14
Mission Australia	Mission Australia Financial Counselling Service - Griffith (South Western NSW Outreach Service)	$30,818.38
Mission Australia	Mission Australia Financial Counselling Service - Wagga Wagga	$19,659.14
Mission Australia	Mission Australia - Wagga Wagga (Young, Harden, Boorowa & Bland)	$30,818.38
Murwillumbah Community Support Centre Inc	Murwillumbah Financial Counselling Service	$28,079.66
Redfern Legal Centre Ltd	Redfern Legal Centre Financial Counselling Service	$71,745.98
San Remo Neighbourhood Centre Incorporated	San Remo Financial Counselling Service	$42,896.48

Funded organisation	Purpose	Annual funding
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Campbelltown	$17,061.16
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Lethbridge Park	$18,975.86
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Campsie	$20,614.60
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Campsie (Inner City Outreach - Surry Hills)	$22,639.04
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Hurstville	$17,963.20
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Parramatta	$18,970.65
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Parramatta (Auburn Outreach)	$19,695.78
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Parramatta (Penrith & Blacktown Outreach)	$10,070.98
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Taree/Wingham	$18,859.34
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Forster/Tuncurry	$11,854.28
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - North NSW Division, Inland Outreach Service	$29,836.53
The Salvation Army (NSW) Property Trust	Moneycare NESB / CALD / ATSI Financial Counselling Service - Moree	$18,663.11
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Goulburn	$13,467.75
The Trustees of the Anglican Diocese of Armidale	Anglicare Northern Inland Financial Counselling Service	$33,035.93
The Trustees of the Roman Catholic Church for the Diocese of Lismore	Centacare Port Macquarie Financial Counselling Service	$18,434.83
The Trustees of the Society of St. Vincent de Paul (NSW)	St Vincent de Paul Broken Bay Financial Counselling Service	$11,973.98
The Uniting Church in Australia Property Trust (NSW)	Lifeline South Coast Financial Counselling Service	$31,847.17
The Uniting Church in Australia Property Trust (NSW)	Lifeline Financial Counselling Service - Newcastle & Hunter	$48,197.52
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling - Fairfield	$37,605.23
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling - Inner Sydney	$95,819.05

Funded organisation	Purpose	Annual funding
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling Service - Penrith (Includes Quakers Hill, Hawkesbury, Blacktown Outreach Services)	$89,326.45
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling - Sutherland / Hurstville Outreach Service	$38,093.45
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling - Newcastle/Hunter Outreach Service	$39,207.96
The Uniting Church in Australia Property Trust (NSW)	Lifeline Western Sydney Financial Counselling Service	$34,398.31
The Uniting Church in Australia Property Trust (Vic)	St David's Uniting Care Financial Counselling Service	$40,169.87
Woodrising Neighbourhood Centre Inc	Lake Macquarie Financial and Gambling Counselling Service	$37,891.97
Financial Counsellors Association of NSW (FCAN)	Financial Counsellors' Association of NSW - Indigenous Training Course	$17,774.39
Financial Counsellors Association of NSW (FCAN)	State-Wide Financial Counsellor Training Program	$44,435.97
Financial Counsellors Association of NSW (FCAN)	Executive Officer Position: "Manager - Administration"	$59,988.56
CCP Special Purpose Fund	Unforeseen expenditure which is directly linked to the provision of financial counselling services	$27,374.00
TOTAL (Pro rata Jul 12 – Nov 12)		$2,370,056.10

Financial Counselling Services Program (December 2012 – June 2013)

In 2012/13, the total number of new clients seeking financial counselling assistance totalled 16,479. There were also 46,483 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	Annual funding
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare South Western Sydney Financial Counselling Service	$325,332.66
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Southern Sydney Financial Counselling Service	$174,240.41
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Western Sydney Financial Counselling Service	$346,528.32
Wesley Mission – Wesley Credit Line Financial Counselling	Wesley Mission Credit Line Financial Counselling Services North Western Sydney	$207,391.86
Centacare Catholic Family Services, Diocese of Broken Bay	Centacare Broken Bay Northern Sydney Financial Counselling Service	$148,424.83

Funded organisation	Purpose	Annual funding
Metro Migrant Resource Centre	Inner Western Sydney Financial Counselling Service	$167,172.94
Wesley Mission – Wesley Credit Line Financial Counselling	Wesley Mission Credit Line Financial Counselling Services Inner Sydney	$158,751.19
Lismore & District Financial Counselling Services Inc	Far North Coast Region Financial Counselling Network	$145,210.78
Kempsey Neighbourhood Centre	Mid North Coast Region Financial Counselling Service	$211,673.98
Financial Counselling Hunter Valley Project Inc	Lower Hunter Region Financial Counselling Service	$258,109.80
Financial Counselling Hunter Valley Project Inc	Upper Hunter Region Financial Counselling Service	$53,929.08
Gosford City & Community Information Service Ltd	Central Coast Region Financial Counselling Service	$127,832.40
Illawarra Legal Centre Inc	Illawarra Region Financial Counselling Service	$152,226.66
Eurobodalla Family Support Service Inc	Far South Coast Region Financial Counselling Service	$34,852.60
Anglicare Regional Alliance	Anglicare Riverina Lower South Western Regional Financial Counselling Service	$78,597.78
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Goulburn Region Financial Counselling Service	$56,843.16
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Murray Region Financial Counselling Service	$35,379.11
Lifeline Central West Inc	Lifeline Dubbo/Mid West Region Financial Counselling Service	$42,735.13
Lifeline Central West Inc	Lifeline Central West Region Financial Counselling Service	$57,144.65
Centacare Wilcannia-Forbes	Centacare Forbes and Parkes Region Financial Counselling Service	$27,206.10
Lifeline Broken Hill Inc	Lifeline Broken Hill Region Financial Counselling Service	$40,430.22
Centacare Wilcannia-Forbes	Centacare Far West Region Financial Counselling Service	$40,411.16
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Tamworth/Northern Plains Region Financial Counselling Service	$53,584.28
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Armidale Region Financial Counselling Service	$27,206.10
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Campbelltown Aboriginal and Torres Strait Islander Financial Counselling Service	$11,276.50
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Penrith	$22,553.01

Funded organisation	Purpose	Annual funding
	Aboriginal and Torres Strait Islander Financial Counselling Service	
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Blacktown Aboriginal and Torres Strait Islander Financial Counselling Service	$33,829.51
Financial Counselling Hunter Valley Project Inc	Newcastle Aboriginal and Torres Strait Islander Financial Counselling Service	$22,563.65
Illawarra Legal Centre Inc	Illawarra Aboriginal and Torres Strait Islander Financial Counselling Service	$11,276.50
Lifeline Central West Inc	Lifeline Dubbo Aboriginal and Torres Strait Islander Financial Counselling Service	$33,845.47
Lifeline Broken Hill Inc	Lifeline Broken Hill Aboriginal and Torres Strait Islander Financial Counselling Service	$11,281.82
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Moree Aboriginal and Torres Strait Islander Financial Counselling Service	$11,276.50
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Tamworth Aboriginal and Torres Strait Islander Financial Counselling Service	$11,276.50
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre - Hotline	$219,669.49
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre - Legal Service	$178,747.33
Financial Counsellors Association of NSW (FCAN)	Financial Counsellors' Association of NSW - Indigenous Training Course	$26,211.19
Financial Counsellors Association of NSW (FCAN)	State-Wide Financial Counsellor Training Program	$65,528.59
Financial Counsellors Association of NSW (FCAN)	Executive Officer Position: "Manager - Administration"	$88,463.38
CCP Special Purpose Fund	Unforeseen expenditure which is directly linked to the provision of financial counselling services	$27,374.00
TOTAL (Pro rata Dec 12 – Jun 13)		$3,746,388.64

No Interest Loans Scheme (NILS®)

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 2012/13 was 7,335 with a total value of $6,644,278. Fair Trading funding assists with the administration of the scheme, while loan funds are provided by the National Australia Bank.

Funding source: Rental Bond Board Interest (90%), FT Retained Revenue (10%)

Funded organisation	Purpose	Annual funding
Sydney Anglican Home Mission Society Council (t/as	Anglicare Western Sydney NILS	$52,139.44

Funded organisation	Purpose	Annual funding
Anglicare Diocese of Sydney)		
Barnardos Australia - Penrith Centre	Barnardos NILS	$32,355.05
Presentation Sisters Wagga	Macarthur NILS	$90,594.15
The Trustees of the Society of St Vincent de Paul (NSW)	St Vincent de Paul Northern Beaches NILS	$25,884.04
The Hills Community Aid and Information Service Inc	North West NILS	$32,587.15
The Hills Community Aid and Information Service Inc	North West NILS - Riverstone Outreach	$6,517.43
The Hills Community Aid and Information Service Inc	North West NILS - Toongabbie Outreach	$6,517.43
The Parks Community Network Inc.	Fairfield NILS	$45,622.01
Telopea Family Resources Incorporated	Telopea Family Resources NILS	$45,622.01
Break the Cycle No Interest Loans Scheme Inc.	Break The Cycle NILS	$26,069.72
C 3 Community Services ltd - C3CS NILS	C3CS Ltd	$13,034.86
St Marys Area Community Development Project Inc.	St Marys Area Community Development Project NILS	$39,104.58
Macarthur Diversity Services Initiative Ltd	Macarthur Diversity Services NILS	$39,104.58
Inspire Community Services Incorporated	Inspire NILS	$32,587.15
The Trustees of the Society of St Vincent de Paul (NSW)	NILS Northern Sydney (St Ives)	$19,413.03
Uniting Church in Australia	Jubilee Resources NILS	$39,104.58
Metro Migrant Resource Centre Inc	Metro Migrant Resource Centre NILS	$19,393.33
Marrickville Community Training Centre Inc	Marrickville NILS	$26,069.72
Hunter Region No Interest Loans Scheme Inc.	Hunter Region No Interest Loans Scheme	$97,761.44
Manning Support Services Inc.	Manning NILS (Taree, Great Lakes and Gloucester)	$52,139.44
Trustees of the Society of St Vincent de Paul NSW (in association with the Sisters of St Joseph - Lochinvar)	Newcastle NILS	$13,034.86
Baptist Community Services NSW & ACT	BCS Food 4 Life NILS - Newcastle	$26,069.72
Forster Neighbourhood Centre	Great Lakes NILS	$39,104.58
Bellingen Neighbourhood Centre Inc.	The Bellingen Neighbourhood Centre NILS	$26,069.72
Kempsey Neighbourhood Centre Inc.	Macleay Valley NILS	$26,069.72
Manning Support Services Inc.	Hastings NILS	$39,104.58
Nambucca Valley Community Services Council Inc	Nambucca Valley NILS	$13,034.86
Anglicare Shoalhaven Community Care Services	Anglicare Shoalhaven NILS	$26,069.72
Baptist Community Services NSW & ACT	BCS Lifecare Services NILS - Warilla	$39,104.58

Funded organisation	Purpose	Annual funding
Port Kembla Community Project	Community Loan Scheme - Southern NILS Program	$65,174.30
Northern Illawarra Community Connection Inc	NICCI NILS	$39,104.58
Highlands Community Centres Inc.	Highlands Community Centre NILS	$45,622.01
Lismore Neighbourhood Centre Inc	Northern Rivers NILS	$65,174.30
Toukley Neighbourhood Centre Inc.	Wyong Shire NILS	$39,104.58
Winmalee Neighbourhood Centre Inc	Winmalee Neighbourhood Centre NILS	$19,552.29
Mid Mountains Neighbourhood Centre Inc.	Mid Mountains NILS	$19,552.29
Blackheath Area Neighbourhood Centre Inc.	Blackheath Area Neighbourhood Centre NILS	$39,104.58
Gosford City Community Information Service Ltd	Gosford City NILS	$39,104.58
Central Coast Emergency Accommodation Services Ltd (Coast Shelter)	Coast Shelter NILS	$32,587.15
Armidale Neighbourhood Centre Inc	Armidale Neighbourhood Centre NILS	$26,069.72
Anglicare Canberra and Goulburn	Anglicare Eurobodalla NILS	$13,034.86
Anglicare Canberra and Goulburn	Anglicare Bega Valley NILS	$19,552.29
Anglicare Western NSW	Anglicare Western NSW Orange NILS	$45,622.01
Anglicare Western NSW	Western NSW Forbes NILS	$26,069.72
Anglicare Western NSW	Western NSW Mudgee NILS	$32,587.15
The Josephite Foundation	Lithgow NILS	$26,069.72
The Josephite Foundation	Bathurst NILS	$32,587.15
The Josephite Foundation	Cowra NILS	$26,069.72
The Josephite Foundation	Young NILS	$26,069.72
Anglicare Western NSW	Anglicare Western NSW Gilgandra NILS	$26,069.72
Local Global Care - Dubbo	Riverside Lifehouse NILS - Dubbo	$52,139.44
Local Global Care - Dubbo	Riverside Lifehouse NILS - Parkes	$26,069.72
Local Global Care - Dubbo	Riverside Lifehouse NILS - Narromine / Trangie	$19,552.29
Wiradjuri Aboriginal Corporation	Wiradjuri NILS	$19,552.29
The Trustees of the Society of St Vincent de Paul (NSW)	St Vincent de Paul Society NILS - Wagga Wagga	$26,069.72
Albury Wodonga Community Network Inc	Albury NILS	$26,069.72
Baptist Community Services NSW & ACT	BCS NILS - Broken Hill & Wilcannia	$39,104.58
Baptist Community Services NSW & ACT	BCS NILS - Sutherland	$39,104.58
Baptist Community Services NSW & ACT	BCS NILS - Moree	$19,552.29
Nambucca Valley Community Services Council Inc	Nambucca Valley Inc NILS - Coffs	$39,104.58

Funded organisation	Purpose	Annual funding
	Harbour Outreach	
The Salvation Army (NSW) Property Trust	Salvos NILS - Inverell	$26,069.72
The Salvation Army (NSW) Property Trust	Salvos NILS - Gunnedah & Tamworth	$32,587.15
Lismore Neighbourhood Centre Inc	NSW NILS State Coordinator	$103,961.69
Winmalee Neighbourhood Centre Inc. (1800 Freecall Service)	NSW NILS 1800 Freecall Service - 1800 50 9994	$83,176.45
TOTAL		$2,245,280.02

Cooperative Development Grants Program

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	Annual funding
Centacare Wilcannia-Forbes	Food Care Program	$90,000.00
TOTAL		$90,000.00

8.13 Government Information (Public Access)

Access applications received during the year, including withdrawn applications but not including invalid application, totalled 282.

Access applications refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure totalled 83.

Table A: Number of applications by type of applicant and outcome[1]

	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 or deny whether information is held	Application withdrawn
Media	11	2	1	0	0	0	0	2
Members of Parliament	0	1	0	1	0	0	0	0
Private sector business	51	31	0	2	2	0	0	3
Not for profit organisations or community groups	4	0	0	0	0	0	0	0
Members of the public	22	14	3	7	3	0	0	2

(application by legal representative)								
Members of the public (other)	62	24	7	4	5	1	0	17

1. 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 or deny whether information is held	Application withdrawn
Personal information applications[1]	35	7	3	0	3	0	0	5
Access applications (other than personal information applications)	97	53	7	13	5	1	0	17
Access applications that are partly personal information applications and partly other	18	12	1	1	2	0	0	2

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).

The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications/Reason for invalidity

	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	9
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	9
Invalid applications that subsequently became valid applications	5

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

	Number of times consideration used[1]
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	1
Legal professional privilege	4
Excluded information	0
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

1. 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 the Act

	Number of occasions when application not successful
Responsible and effective government	39
Law enforcement and security	11
Individual rights, judicial processes and natural justice	34
Business interests of agencies and other persons	20
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)	259
Decided after 35 days (by agreement with applicant)	12
Not decided within time (deemed refusal)	4
Total	275

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	7	10
Review by Information Commissioner[1]	3	2	5
Internal review following recommendation under section 93 of Act	1	0	1
Review by ADT	0	1	1
Total	7	10	17

1. The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	10
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	5

8.14 Land disposal

No properties with a value greater than $5 million were disposed of during 2012/13 by a process other than public auction or tender.

No properties were disposed of where there was a business or family connection between the purchaser and the approving person.

Disposed properties were either surplus to the Department's operational requirements or were compulsorily acquired by other authorities. The net proceeds from the sale of surplus assets were used for the provision of services by the Department.

An application for access to documents concerning details of properties disposed of during the reporting year may be made in accordance with the *Government Information (Public Access) Act 2009.*

8.15 Implementation of price determination

Land and Property Information has adhered to the Independent Pricing and Regulatory Tribunal of NSW (IPART) determination of pricing of $5.10 per entry for residential land and $11.20 per entry for non-residential land for Valuation Services that were charged to local councils in 2012/13. The IPART determination "price review of rating valuation services provided by the Valuer-General to local government", issued in July 2008, sets the formula for determination of prices charged to local councils through to 30 June 2014.

8.16 Principal legislation administered

Finance and Services portfolio

The Minister for Finance and Services had joint administration of all Acts listed for the Minister for Fair Trading (which are not listed below), and as at 30 June 2013, the following Acts:

Note: This is the legislation administered by the Department of Finance and Services and does not include legislation administered by the Safety, Return to Work and Support Division or otherwise listed separately below.

- *Access to Neighbouring Land Act 2000*
- *Architects Act 2003*
- *Betting Tax Act 2001*
- *Border Railways Act 1922*
- *Building and Construction Industry Security of Payment Act 1999*
- *Commonwealth Places (Mirror Taxes Administration) Act 1998*
- *Community Land Development Act 1989*
- *Contractors Debts Act 1997*
- *Conveyancing Act 1919*
- *Conveyancing and Law of Property Act 1898*
- *Duties Act 1997*
- *Encroachment of Buildings Act 1922*
- *Electronic Conveyancing (Adoption of National Law) Act 2012*
- *Fines Act 1996 (except parts - Part 2, Divisions 1 and 2, section 13, section 120 (in so far as it relates to registrars of the courts and the Sheriff) and section 123, Attorney General)*
- *First Home Owner Grant (New Homes) Act 2000 (formerly the First Home Owner Grant Act 2000)*
- *Gaming Machine Tax Act 2001, 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*
- *Government Property NSW Act 2006 (formerly the State Property Authority Act 2006)*
- *Government Telecommunications Act 1991*
- *Health Insurance Levies Act 1982*
- *HomeFund Restructuring Act 1993 (except sections 14, 15, 16 and Schedule 2, jointly the Minister for Finance and Services and the Minister for Fair Trading)*
- *Housing Act 2001, section 6 (remainder, jointly with the Minister for Family and Community Services)*
- *Insurance Protection Tax Act 2001*
- *Land Acquisition (Charitable Institutions) Act 1946*
- *Land Acquisition (Just Terms Compensation) Act 1991*

- *Land Sales Act 1964*
- *Land Tax Act 1956*
- *Land Tax Management Act 1956*
- *Loan Fund Companies Act 1976*
- *National Broadband Network Co-ordinator Act 2010*
- *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*
- *Payroll Tax Rebate Scheme (Disability Employment) Act 2011*
- *Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011*
- *Perpetuities Act 1984*
- *Personal Property Securities (Commonwealth Powers) Act 2009, Division 2 of Part 2 of Schedule 1 and clause 24 of Schedule 1, jointly with the Attorney General and the Minister for Fair Trading*
- *Powers of Attorney Act 2003*
- *Public Sector Employment and Management Act 2002, Chapter 7 (remainder, the Premier, except Chapter 6, jointly the Premier and the Minister for Industrial Relations)*
- *Public Works Act 1912 (except section 34(3) and (4), the Minister for Primary Industries)*
- *Real Property Act 1900*
- *Regional Relocation (Home Buyers Grant) Act 2011*
- *State Owned Corporations Act 1989, section 37B (remainder, the Premier)*
- *State Records Act 1998*
- *Strata Schemes (Freehold Development) Act 1973*
- *Strata Schemes (Leasehold Development) Act 1986*
- *Surveying and Spatial Information Act 2002*
- *Taxation Administration Act 1996*
- *Teacher Housing Authority Act 1975*
- *Transfer of Records Act 1923*
- *Unclaimed Money Act 1995*
- *Valuation of Land Act 1916*
- *Voluntary Workers (Soldiers' Holdings) Act 1917*

The Office of State Revenue also collects revenue under the *Parking Space Levy Act 2009* for the NSW Ministry of Transport and the Community Development Levy under the *Aboriginal Land Rights Act 1983*. The State Debt Recovery Office administers fines and collects revenue under various legislation including the *Road Transport Act 2013* for Crown and commercial clients.

The Minister for Fair Trading has joint administration of the following Acts with the Minister for Finance and Services:

- *Agricultural Tenancies Act 1990*
- *Associations Incorporation Act 2009*
- *Boarding Houses Act 2012, Part 1 (except sections 3 (b) and (c)), Part 2, Part 5 (except section 104), Schedule 2 (except Part 2) and subschedules 3.3 and 3.6*
- *Business Names (Commonwealth Powers) Act 2011*
- *Community Land Management Act 1989*
- *Consumer Claims Act 1998*
- *Consumer, Trader and Tenancy Tribunal Act 2001*
- *Contracts Review Act 1980*
- *Conveyancers Licensing Act 2003*
- *Co-operative Housing and Starr-Bowkett Societies Act 1998*
- *Co-operatives Act 1992*
- *Co-operatives (Adoption of National Law) Act 2012*
- *Credit (Commonwealth Powers) Act 2010*
- *Electricity (Consumer Safety) Act 2004*
- *Fair Trading Act 1987*
- *Fitness Services (Pre-paid Fees) Act 2000*
- *Funeral Funds Act 1979*
- *Gas Supply Act 1996, section 83A (remainder, the Minister for Resources and Energy)*
- *Holiday Parks (Long-term Casual Occupation) Act 2002*
- *Home Building Act 1989 (except part 6A, the Treasurer) (Note: On 1 July 2013, administration of Part 6A was transferred from the Treasurer to the Minister for Finance and Services)*
- *HomeFund Commissioner Act 1993*
- *HomeFund Restructuring Act 1993, sections 14, 15, 16 and Schedule 2 (remainder, the Minister for Finance and Services)*
- *Landlord and Tenant Act 1899*
- *Landlord and Tenant (Amendment) Act 1948*
- *Motor Dealers Act 1974*
- *Motor Vehicle Repairs Act 1980*
- *Occupational Licensing (Adoption of National Law) Act 2010 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*

- *Personal Property Securities (Commonwealth Powers) Act 2009, Division 2 of Part 2 of Schedule 1 and clause 24 of Schedule 1, jointly with the Attorney General and the Minister for Finance and Services (remainder, the Attorney General)*
- *Plumbing and Drainage Act 2011*
- *Prices Regulation Act 1948*
- *Property, Stock and Business Agents Act 2002*
- *Residential Parks Act 1998*
- *Residential Tenancies Act 2010*
- *Retirement Villages Act 1999*
- *Strata Schemes Management Act 1996*
- *Tattoo Parlours Act 2012 (jointly with the Minister for Police and Emergency Services)*
- *Trade Measurement (Repeal) Act 2009*
- *Travel Agents Act 1986*
- Valuers Act 2003
- Warehousemen's Liens Act 1935

Legislation administered by the Minister for Finance and Services jointly with the Minister for Family and Community Services

- *Aboriginal Housing Act 1998*
- *Housing Act 2001 (except section 6 – Minister for Finance and Services) (Note: separately listed under Finance and Services portfolio)*

Acts within the portfolio of the Minister for Finance and Services which are administered by the Department of Finance and Services with support from Treasury

- *Coal and Oil Shale Mine Workers (Superannuation) Act 1941*
- *First State Superannuation Act 1992*
- *Local Government and Other Authorities (Superannuation) Act 1927*
- *New South Wales Retirement Benefits Act 1972*
- *Parliamentary Contributory Superannuation Act 1971*
- *Police Association Employees (Superannuation) Act 1969*
- *Police Regulation (Superannuation) Act 1906*
- *Public Authorities Superannuation Act 1985*
- *State Authorities Non-contributory Superannuation Act 1987*
- *State Authorities Superannuation Act 1987*
- *State Public Service Superannuation Act 1985*
- *Superannuation Act 1916*
- *Superannuation Administration Act 1996*
- *Superannuation Administration Authority Corporatisation Act 1999*
- *Superannuation (Axiom Funds Management Corporation) Act 1996*
- *Transport Employees Retirement Benefits Act 1967*

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*
- *Sydney Water Act 1994*
- *Water Efficiency Labelling and Standards (New South Wales) Act 2005*
- *Water Industry Competition Act 2006 (except Part 3, the Premier)*
- *Water Management Act 2000, 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) (Note: The Upper Parramatta River Catchment Trust was dissolved in June 2012).*

The following Acts are administered by the Minister for Finance and Services in his capacity as Portfolio Minister:

- *Hunter Water Act 1991*
- *Superannuation Administration Authority Corporatisation Act 1999*
- *Sydney Water Act 1994*

8.17 Legislative change

Finance and Services portfolio

Superannuation Amendment (Infrastructure NSW) Order 2013

On 8 March 2013 (effective 1 July 2011) Infrastructure NSW was included as an employer in the list of employers in Schedule 3 to the *Superannuation Act 1916* pursuant to this order which was made under section 92 of the *Superannuation Act 1916*.

State Authorities Superannuation Amendment (Infrastructure NSW) Order 2013

On 8 March 2013 (effective 1 July 2011) Infrastructure NSW was included as an employer in the list of employers in Schedule 1 to the *State Authorities Superannuation Act 1987* pursuant to this order which was made under section 46 of the *State Authorities Superannuation Act 1987*.

State Authorities Non-contributory Superannuation Amendment (Infrastructure NSW) Order 2013

On 8 March 2013 (effective 1 July 2011) Infrastructure NSW was included as an employer in the list of employers in Schedule 1 to the *State Authorities Non-contributory Superannuation Act 1987* pursuant to this order which was made under section 27 of the *State Authorities Non-contributory Superannuation Act 1987*.

First State Superannuation Amendment (Infrastructure NSW) Order 2013

On 8 March 2013 (effective 1 July 2011) Infrastructure NSW was included as an employer in the list of employers in Schedule 1 to the *First State Superannuation Act 1992* pursuant to this order which was made under section 7 of the *Superannuation Act 1916*.

State Authorities Superannuation Amendment (Local Government and Shires Association) Order 2013

On 3 May 2013 (effective 1 March 2013) the Local Government and Shires Association was included as an employer in the list of employers in Schedule 3 to the *Superannuation Act 1916* pursuant to this order which was made under section 92 of the *Superannuation Act 1916*.

Superannuation Amendment (Local Government and Shires Association) Order 2013

On 3 May 2013 (effective 1 March 2013) the Local Government and Shires Association was included as an employer in the list of employers in Schedule 1 to the *State Authorities Superannuation Act 1987* pursuant to this order which was made under section 46 of the *State Authorities Superannuation Act 1987*.

State Authorities Non-contributory Superannuation Amendment (Local Government and Shires Association) Order 2013

On 3 May 2013 (effective 1 March 2013) the Local Government and Shires Association was included as an employer in the list of employers in Schedule 1 to the *State Authorities Non-contributory Superannuation Act 1987* pursuant to this order which was made under section 27 of the *State Authorities Non-contributory Superannuation Act 1987*.

First State Superannuation Amendment (Local Government and Shires Association) Order 2013

On 3 May 2013 (effective 1 March 2013) the Local Government and Shires Association was included as an employer in the list of employers in Schedule 1 to the *First State Superannuation Act 1992* pursuant to this order which was made under section 7 of the *Superannuation Act 1916*.

Superannuation Amendment (Port Employers) Order 2013

On 10 May 2013 Port Botany Operations Pty Limited (as trustee of the Port Kembla Unit Trust) and Port Kembla Operations Pty Limited (as trustee of the Port Kembla Unit Trust) were included as employers in the list of employers in Schedule 3 to the *Superannuation Act 1916* pursuant to this order which was made under section 92 of the *Superannuation Act 1916*.

State Authorities Superannuation Amendment (Port Employers) Order 2013

On 10 May 2013 Port Botany Operations Pty Limited (as trustee of the Port Kembla Unit Trust) and Port Kembla Operations Pty Limited (as trustee of the Port Kembla Unit Trust) were included as employers in the list of employers in Schedule 1 to the *State Authorities Superannuation Act 1987* pursuant to this order which was made under section 46 of the *State Authorities Superannuation Act 1987*.

State Authorities Non-contributory Superannuation Amendment (Port Employers) Order 2013

On 10 May 2013 Port Botany Operations Pty Limited (as trustee of the Port Kembla Unit Trust) and Port Kembla Operations Pty Limited (as trustee of the Port Kembla Unit Trust) were included as employers in the list of employers in Schedule 1 to the *State Authorities Non-contributory Superannuation Act 1987* pursuant to this order which was made under section 27 of the *State Authorities Non-contributory Superannuation Act 1987*.

First State Superannuation Amendment (Port Employers) Order 2013

On 10 May 2013 Port Botany Operations Pty Limited (as trustee of the Port Kembla Unit Trust) and Port Kembla Operations Pty Limited (as trustee of the Port Kembla Unit Trust) were included as employers in the list of employers in Schedule 1 to the *First State Superannuation Act 1992* pursuant to this order which was made under section 7 of the *Superannuation Act 1916*.

NSW Fair Trading

Travel Industry Transition Plan

On 7 December 2012, a majority of State and Territory Ministers for Consumer Affairs approved a Travel Industry Transition Plan setting out reforms to travel agents' regulation. The Transition Plan was developed in collaboration with all States and Territories and was the subject of a public consultation in 2012. Implementation of the Transition Plan commenced in July 2013 with a view to full implementation in 2015. The Plan ensures that the *Australian Consumer Law* and other laws of general application regulate travel agent businesses and that those businesses are regulated in the same way as their off-shore based competitors who sell to Australian consumers.

Property, Stock and Business Agents Amendment Act 2013

The *Property, Stock and Business Agents Amendment Act 2013*, which was passed by Parliament on 5 March 2013, clarifies and streamlines the *Property, Stock and Business Agents Act 2002* and significantly reduces red tape for real estate agents. The amendments arise from a statutory review of the *Property, Stock and Business Agents Act 2002* in 2008.

The main amendments, which commenced on 1 July 2013, overhaul trust account audit responsibilities for agents while ensuring that consumers are protected. Licensees will no longer have to lodge their trust account audits with NSW Fair Trading unless they are qualified by an auditor, and will no longer have to lodge a statutory declaration if they did not hold trust money during their audit year.

A major amendment is to move responsibility for handling unclaimed trust money from NSW Fair Trading to the NSW Office of State Revenue, providing a 'one stop' shop for consumers seeking unclaimed money. Other amendments expand the qualifications of people able to conduct trust account audits, expand agents' right to commission and expenses, formalise procedures for opening and closing of trust accounts, and clarify training provisions for trainee stock auctioneers.

Retirement village standard contracts, disclosure requirements and register of villages

On 26 April 2013, the Minister for Fair Trading released the new standard contract for retirement villages. A new general inquiry document and a streamlined disclosure statement were also developed. It will be compulsory for operators to use the new contract and disclosure documents from 1 October 2013.

Together, the new documents help to provide a much clearer framework for the retirement village industry for the benefit of both operators and residents. It will be easier for residents to compare and choose the right village for them and understand their rights and obligations, which should reduce disputes in the longer term.

The standard contract and disclosure documents were developed by a committee of experts appointed by the Minister for Fair Trading in July 2011. The committee included retirement village residents, operators, advocates and legal professionals.

To help operators implement the changes, NSW Fair Trading developed templates for five common contract types that operators can download and adapt for their villages.

In conjunction with the launch of the standard contract, an online register of retirement villages was made available on the Fair Trading website. The retirement villages register enables prospective residents to search for villages located in the area they are interested in. The register contains the village's trading name, address and contact details.

Commencement of the *Fair Trading Regulation 2012*

On 1 September 2012 a new Fair Trading Regulation commenced. The *Fair Trading Regulation 2012* supports the objectives of the *Fair Trading Act 1987* by providing for product and service information

standards applying to: fibre content labelling of textiles; fuel price signs; employment placement services; and funeral goods and services.

The new Regulation introduced several new requirements, including that service stations must comply with new requirements for petrol price boards from 1 September 2013. The new fuel price board provisions will require the price of LPG and diesel to be displayed, if these are sold, and the prices of the top-selling fuels for that service station, so as to make a total of four fuels. Service stations will only be allowed to display the fuel price which is available to all consumers, rather than the price available to holders of discount dockets. The research octane number of E10 and other unleaded petrol will be required to be displayed on the fuel pump.

The new Regulation also updated the funeral information standard to ensure that the funeral director obtaining a NSW Standard Death Certificate from the Registry of Births, Deaths and Marriages is one of the services included in a basic funeral at the consumer's request.

Gas Supply (Consumer Safety) Regulation 2012

On 1 September 2012, a new Gas Supply (Consumer Safety) Regulation commenced. The Regulation continued the regulatory framework for gas appliances connected to networks and non-networks, gas installations, autogas, licensed gas fitters and the testing of gas meters.

The new Regulation introduced several new requirements for owners or occupiers of premises where gas installations are present, including that they notify Fair Trading if a serious gas accident occurs on their premises and that they maintain their gas installations in safe working order.

The Regulation also introduced new requirements for gas fitters and autogas mechanics to provide Fair Trading with a copy of a certificate of inspection or compliance within 5 business days following any gas fitting or autogas work. The Regulation made minor updates to the requirements for autogas identification labels and compliance plates for gas installations.

Children and window safety

On 13 March 2013, the Minister released the Children and Window Safety Consultation Paper inviting the community's views on proposals to improve children's safety in strata buildings. This included a proposal to require window safety devices to be installed in residential strata buildings and to be recorded in tenancy condition reports.

The window safety reform proposals are part of the NSW Government's response to the report of the Children's Hospital at Westmead Working Party for the Prevention of Children Falling from Residential Buildings. The report noted that an increasing number of children are admitted to hospital each year with serious injuries as a result of falling from a window.

The window safety reform proposals are being implemented as part of the package of strata and community title law reforms.

Land and Property Information

Powers of Attorney Amendment Act 2013

The *Powers of Attorney Act 2003* was amended as a result of a review into its objectives and operation. The Act was amended to allow for a range of proposals that the public and legal profession called for in response to the review. The Amendment Act introduced new prescribed forms for powers of attorney. The forms were changed to make them more informative and easier to use. The changes made by the Amendment Act now make it possible to appoint substitute attorneys, nominate how joint attorneys are dealt with when one leaves office, and expands the Guardianship Tribunal's jurisdiction regarding revocations of a power of attorney.

Date of assent: 7 May 2013. Date of commencement: 13 September 2013.

Strata Schemes (Freehold Development) Regulation 2012; Strata Schemes (Leasehold Development) Regulation 2012

Both Strata Regulations were remade on 1 September 2012 after consultation with the strata industry, legal profession and the general public. The Regulations ensure that a plan or dealing lodged in relation to a strata scheme is in the appropriate form, standardises plan requirements for electronic and manually lodged plans, and provides for fees payable to the Registrar-General.

Valuation of Land Regulation 2012

The Valuation of Land Regulation 2012 commenced on 1 September 2012. It remade the provisions of the former Regulation, with minor amendments, as part of the regulatory review process under the *Subordinate Legislation Act 1989*. The regulation prescribes the manner in which an objection to a valuation may be lodged or withdrawn, the manner in which notices required by the Act or the Regulation may be served, and the additional classes of land to be dealt with as "Crown lease restricted" under the Act.

Electronic Conveyancing National Law (Adoption of National Law) Act 2012

The *Electronic Conveyancing National Law (Adoption of National Law) Act 2012* was passed by the NSW Parliament on 14 November 2012. This means that there will be a sound statutory basis for documents in electronic form to be electronically lodged and processed under NSW's land titles legislation. NSW took the lead with this bill which enables other participating jurisdictions to pass their own legislation by either applying the NSW law or enacting mirror legislation. This Act was proclaimed and came into operation on 1 January 2013.

8.18 Significant judicial decisions

Finance and Services portfolio

***CH2M Hill Australia Pty Ltd v State of New South Wales [2012]* NSWSC 963 (24 August 2012)**

Sydney Water Corporation engaged CHBM Water, a private sector joint venturer, to design and construct an upgrade of the West Camden Sewage Treatment Plant. In 2005, the contractor engaged NSW Public Works (as part of the former Department of Commerce), to perform some design-related services for the tanks and basins.

A number of defects arose during the construction and the partially completed works were damaged by stormwater after heavy rain in February 2007. CHBM Water decided to demolish and reconstruct the damaged structures. On 23 December 2009, CH2M Hill Australia, one of the joint venturers in CHBM Water, commenced proceedings against the State in the Supreme Court for about $23 million plus costs. They claimed that the damage and the need to reconstruct were caused by defects in the design work undertaken by NSW Public Works.

On 24 August 2012 Justice McDougall dismissed CH2M Hill's proceedings and ordered that it pay the State's costs. He found that the design by NSW Public Works was not deficient, and the failures were caused by deficiencies in CH2M Hill's construction obligations.

***Beranghi Co-operative Ltd v NSW Minister for Finance and Services* [2013] NSWSC 234 (27 March 2013)**

This was an application for a writ of mandamus to require the Minister to submit a request to the Governor to make a determination under section 92 of the *Public Works Act 1912* concerning a 'difference' in respect of accommodation works. The Court declined to grant such a writ and found that the jurisdiction of the Governor to make a determination under section 92 is confined to any difference arising "respecting the kind or number of any accommodation works or the dimensions or sufficiency thereof or respecting the maintaining thereof." The Court found that it is clear that the section is

directed to the nature of accommodation works required, not to the question whether there should be any accommodation works at all. In the present case there were no accommodation works within the meaning of section 91 which could be the subject of a difference under section 92. The jurisdiction of the Governor was not enlivened.

That being so, there was no basis for the order sought by Beranghi that the Minister provide papers to the Governor for the purpose of a determination under section 92.

NSW Fair Trading

Department of Finance & Services (NSW Fair Trading) v Robert Douglas Pentecost

Mr Robert Pentecost was convicted and sentenced after providing solicited and unsolicited tree lopping and gardening services to elderly victims in affluent areas within New South Wales. The defendant received payments and provided little or no contracted tree lopping and gardening services. Fair Trading brought charges in the Local Court against the defendant for a variety of offences under the *Crimes Act*, *Australian Consumer Law*, and *Home Building Act 1989*. He was convicted of fraud and other offences. He was ordered to pay $8,162 in fines and costs, and sentenced to three months imprisonment.

The matter was appealed to the District Court.

Robert Douglas Pentecost v Department of Finance & Services (NSW Fair Trading)

The District Court outcome - Section 11 *Crimes (Sentencing Procedure) Act 1999* bond: Deferral of sentencing for rehabilitation, participation in an intervention program or other purposes.

The Judge handed down a statutory "Griffiths Remand". The Appellant has until 13 June 2014 to pay compensation to the victims. Failing to do so may result in the Appellant serving time in custody.

Department of Finance & Services (NSW Fair Trading) v Forbye Sutherland

Business: 4B Electrical Services

Mr Forbye Sutherland failed to be present and supervise at all times while electrical wiring work was carried out by Jouke Swiegers at Bannamagoo Estate, Mudgee. Mr Swiegers suffered a severe electrical shock and died at the site. Fair Trading brought charges in the Local Court alleging a breach of the *Home Building Act 1989*. On 3 October 2012 Mudgee Local Court convicted Mr Sutherland and ordered him to pay $15,433 in fines and costs.

Workcover also prosecuted the defendant under section 9 of the *Occupational Health and Safety Act 2000*. On 20 December 2012 the Industrial Court of NSW convicted Mr Sutherland, fined him $9,000 and ordered him to pay costs as agreed or ordered by the Court.

NSWFT v Mark Buhagiar

NSW Fair Trading brought charges in Sutherland Local Court in conjunction with NSW Police. NSW Fair Trading convicted the defendant of eight charges under the *Crimes Act*, of using false documents to obtain financial advantage. Forty three additional charges of the same offence were taken into consideration and dealt with at sentencing under a Form 1 schedule. The defendant was sentenced to 18 months imprisonment with a non-parole period of 13½ months.

This matter is currently on severity appeal in the District Court.

NSWFT v Switchworx Electrical Pty Ltd and Charbel Khoury

NSW Fair Trading brought charges in the Local Court against Khoury and Switchworx under the *Australian Consumer Law* and the *Electricity (Consumer Safety) Act 2004*. On 14 November 2012, the defendants were ordered to pay fines and costs totalling over $30,000 for falsely representing the need for goods and services, using coercion in connection with the payment for goods or services, performing deficient electrical work and failing to comply with required electrical safety standards. The defendant also paid additional $50,000 compensation to affected consumers.

Yena Suzen Foong v Department of Finance & Services (NSW Fair Trading)

Business: B-Gold Realty P/L t/a Century 21 C-View Realty (Willoughby)

Ms Yena Foong was a co-Director of the company and held a licence under the *Property, Stock and Business Agents Act*. She was alleged to have failed to account for trust funds in the amount of $80,000, which was subsequently paid out by the Property Services Compensation Fund. Criminal proceedings were commenced against Ms Foong. In November 2011, she was convicted of dishonestly obtaining financial advantage by deception, and was subsequently sentenced to 15 months imprisonment (to be served by way of home detention). Ms Foong appealed the severity of the sentence. In September 2012, the District Court affirmed the sentence. Also, following disciplinary action, Ms Foong was disqualified in September 2011 for five years and her son for seven years. On appeal, the Administrative Decision Tribunal, in December 2012, increased Ms Foong's disqualification period to seven years at the request of Fair Trading.

Department of Finance & Services (NSW Fair Trading) v Rakesh Kumar

Business: The Soni Group Pty Ltd formerly t/a Ray White Wentworthville.

A Fair Trading investigation of the real estate corporation found that there were no sales trust records for the business and the trust account had been used to pay some of the day to day costs of running the business. As a result, disciplinary action was taken against the corporation, Ranji and Rakesh Kumar. The corporation had its licence permanently cancelled. Mr Kumar's wife, Rajni Kumar, had previously had her real estate agent's licence cancelled and disqualified from being involved in the direction, management or conduct of the business of a licensee for five years. She sought review of this decision and on 21 November 2012 the Administrative Decisions Tribunal upheld Fair Trading's decision. Fair Trading determined that Mr Kumar, in his wife's absence, was running the business even though he was only a certificate holder. Fair Trading cancelled Mr Kumar's certificate of registration, disqualifying him for a five-year period on the basis that he was not a fit and proper person. He sought a review of this decision. On 3 June 2013 the Administrative Decisions Tribunal upheld Fair Trading's decision.

Department of Finance & Services (NSW Fair Trading) v Tom Imre

Business: Bayelm Pty Ltd t/a Dougmal Harcourts Warilla.

Mr Tom Imre was convicted for failing to properly supervise his real estate business. In January 2012 Fair Trading became aware that Mr Imre's employees Roger and Gordana Ocvirk (husband and wife) had misappropriated funds totalling approximately $170,000 from the business trust account. Fair Trading appointed a manager who found more than $1.4 million missing. In May 2013, Mr Imre was ordered to pay fines and costs totalling $2,333 and cannot hold a real estate licence for a two-year period.

Department of Finance & Services (NSW Fair Trading) v Roger Ocvirk

Business: Bayelm Pty Ltd t/a Dougmal Harcourts Warilla.

Mr Roger Ocvirk was accused of misappropriating $1,462,068.19 from business trust accounts. He was convicted, after unsuccessfully arguing a defence of mental impairment. He was sentenced to 18 months imprisonment with a non-parole period of 12 months. The severity of that sentence is currently on appeal.

Department of Finance & Services (NSW Fair Trading) v Gordana Ocvirk

Business: Bayelm Pty Ltd t/a Dougmal Harcourts Warilla.

Ms Ocvirk was accused of misappropriating $1,462,068.19 from business trust accounts. She originally made admissions to another real estate agency employee that she had misappropriated $170,000. She was convicted and sentenced to 18 months imprisonment with a non-parole period of 12 months. The severity of that sentence is currently on appeal.

Department of Finance & Services (NSW Fair Trading) v Jeffrey Stanley Rosenstrauss

Business: Rosen and Co (Bondi)

The Administrative Decisions Tribunal upheld Fair Trading's decision not to renew the real estate agent licence and strata managing agent's licence of Mr Jeffrey Rosenstrauss on 13 December 2012 on the grounds he was not a fit and proper person to hold a licence.

Mr Rosenstrauss was found not to be fit and proper based upon a conviction in 2011 of four offences involving assault of a girl under 16 years old and committing an act of indecency, for which he served time in prison.

***Carr v Department of Services, Technology & Administration* [2012] NSWADT 216**

Business: Platinum Property (Caringbah)

Mr Rory Carr was disqualified for 10 years by NSW Fair Trading as a bankrupt who misappropriated $475,000 from a trust account and pre-drew on six commissions totalling $55,586.60. The Administrative Decisions Tribunal upheld the decision on 22 October 2012.

***Campbell v Director-General, Department of Finance and Services (GD)* [2012] NSWADTAP 32**

Business: Reda Holdings P/L t/a Coastwide Real Estate (The Entrance)

Fair Trading determined that Ms Jennifer Ivy Campbell was an undischarged bankrupt which disqualified her from holding a real estate licence. After she failed to disclose her bankrupt status, she was disqualified from holding a licence for three years. The Administrative Decisions Tribunal upheld Fair Trading's determination, and Ms Campbell appealed. On 27 August 2012, the Administrative Decisions Tribunal Appeal Panel dismissed her appeal.

***Giann v Department of Finance and Services (Commissioner for Fair Trading)* [2013] NSWADT 129**

Business: M.B.V. Automobiles

Mr Harry Giann held a motor vehicle repair licence and LPG mechanic certificate. He had ongoing issues with his standard of work, issues with customers, and failure to comply with Consumer, Trader and Tenancy Tribunal orders. Fair Trading cancelled his licence and disqualified him from being involved in the direction, management and conduct of a business requiring a licence for three years. The Administrative Decisions Tribunal affirmed Fair Trading's determination.

***Baldacchino v Director General, Department of Finance and Services* [2013] NSWADT 24**

Business: Penrith Mechanical Repairs

Fair Trading cancelled Mr Alexander Baldacchino's motor vehicle repair licence and disqualified him from being involved in the direction, management and conduct of a business requiring a licence for a period of 10 years (until November 2020) based upon a criminal conviction involving dishonesty. The Administrative Decisions Tribunal at first instance upheld the licence cancellation but asserted that no separate decision regarding the disqualification was necessary. Due to confusion and concern regarding the ruling, Fair Trading appealed the decision. The Appeal Panel upheld Fair Trading's position that a disqualification requires a separate decision, and also upheld the 10-year period of disqualification.

***Australian Vaccination Network v Department of Finance & Services* [2013] NSWADT 60**

Under the *Government Information (Public Access) Act 2009*, an applicant requested documents from Fair Trading relating to the Australian Vaccination Network (AVN). Fair Trading, pursuant to the legislative requirements, allowed the applicant access to documents, subject to certain redactions. AVN, as an interested third party objected to Fair Trading's decision. On 13 March 2013, Judicial Member Montgomery affirmed Fair Trading's decision. In considering the issue of "whether the disclosure of the information in the excerpts could reasonably be expected to expose a person to a

risk of harm or of serious harassment or serious intimidation", he agreed with Fair Trading's submissions that "it is highly unlikely that disclosure of the excerpts will exacerbate whatever ongoing acrimony now occurring".

Fair Trading has other, unrelated proceedings on foot in respect of AVN.

Department of Finance & Services (NSW Fair Trading) v Trevor Robinson

Prosecution for breaches of the *Australian Consumer Law* for false representations made in relation to a claim to cure cancer and for failure to respond to a substantiation notice. The matter proceeded to a defended hearing before the Local Court at Parramatta. The defendant argued that he could cure cancer by a specially formulated prayer that rid the body of 'anti-clockwise' cancer cells. The offences were proved and Mr Robinson was convicted. He was placed on a good behaviour bond for two years.

Department of Finance & Services (NSW Fair Trading) v Hot Dollar Group of companies

Six companies in the 'Hot Dollar Group' were prosecuted for product safety offences against the *Fair Trading Act 1987* and *Australian Consumer Law*. Fair Trading previously made numerous efforts to provide the directors of the group with education and training regarding product safety requirements under the applicable legislation. The companies were convicted, with total fines and costs of $7,478 imposed.

Duties

***CTI Joint Venture Company Pty Ltd v Chief Commissioner of State Revenue* [2013] NSWSC 20**

Issue: Whether a nomination under call option deeds is a novation, sale or transfer

Background: Four call option deeds were executed in which the landowners granted call options, over four contiguous parcels of land in Chatswood, to CRI Chatswood Pty Ltd (CRI). Subsequently CRI nominated CTI Joint Venture Company Pty Ltd (CTI) as its nominee for the purpose of each call option, by way of a Call Option Nomination Notice. The Chief Commissioner issued an assessment in respect of the Nomination Deed to transfer duty on the basis that was an agreement for the sale or transfer of the dutiable property.

Decision: The Court found that the nomination arrangement between the parties constituted a novation of the call options and consequently the nomination documents were not liable to transfer duty.

***Bondi Beachside Pty Ltd and others v Chief Commissioner of State Revenue* [2013] NSWSC 21**

Issue: Deferred purchase price scheme, being a forbearance, liable to mortgage duty

Background: The Chief Commissioner of State Revenue assessed a fixed and floating charge with additional duty. The charge was stamped with $5 on the basis that it did not secure any advances at the time of its execution. The charge formed part of a deferred purchase price arrangement, where a financial institution may subscribe for and sell loan notes for a price. In this case the charge secured that price. Under various deeds, the plaintiffs elected to defer (or extend) the due date for payment of the purchase price. The Chief Commissioner assessed the charge to additional duty in respect of those deferrals (or extensions).

Decision: The Court found that a variation of a contract which involves a permanent change in the rights and obligations of the parties may constitute a forbearance. The variation deed was the form in which the forbearance was achieved. Hence the variation deed constituted an advance under section 206 of the *Duties Act 1997*. Duty was payable on the face value of the notes. The capitalised interest did not become an advance once the date for payment was extended.

Land tax

***Reolon v Chief Commissioner of State Revenue* [2013] NSWADT 96**

Issue: Whether land qualified for the primary production land exemption

Background: The applicant taxpayer claimed the primary production exemption on the basis of various activities conducted on the land (ie apiary production, aquaculture, herb and vegetable production, cattle, poultry and goats). The land was zoned rural land and consisted of a single dwelling which took up about 5% of the total land area, with the applicant claiming the remaining 95% of the land was used for primary production.

The Commissioner considered that the dominant use of the land was the house on the property generating rental income. The only revenue received from the primary production land activities was $126 from the sale of honey in the 2009 year. The taxpayer argued, among other things, that there was long lead time in establishing a farm business.

Decision: The Tribunal found the taxpayer had not discharged the onus of proving that the dominant use of the land was primary production for the relevant years per section 10AA(3) of the *Land Tax Management Act 1956*. The Tribunal held that an objective observer would conclude, viewing the land as a whole, that the dominant use of the property was the leasing of the house, and not for primary production. The Tribunal affirmed the decision of the Chief Commissioner.

***Maraya Holdings Pty Ltd v Chief Commissioner of State Revenue* [2013] NSWSC 23**

Issue: Whether land qualified for the primary production land exemption

Background: In these proceedings the primary production use of the properties, a beef cattle operation, is conducted by a third party on behalf of Maraya Holdings Pty Ltd ("Maraya"), on the properties owned by the Plaintiffs and on additional properties owned by entities not related to the Plaintiffs.

The properties are zoned non-rural and are small in area, being up to six hectares. As dominant use of the land was conceded, the question before the Court was whether the cattle operation satisfied the commerciality test in section 10AA(2) of the *Land Tax Management Act 1956*.

The evidence of the Plaintiffs was that in the relevant land tax years the herd was up to 40 head of cattle and 55 head of cattle in some years. The operation was to graze and fatten cattle for market.

Decision: Justice Gzell held that section 10AA was concerned with the use and not the user of the land. He held that where the primary production enterprise is conducted on the properties and also on additional properties, the tests in section 10AA are satisfied if the purpose or character is evident from either the use of the properties in isolation from the additional properties, or the use of the properties viewed as part of an enterprise.

However Justice Gzell concluded that the Plaintiffs did not meet the test that the primary production use of the land had a significant and substantial commercial purpose or character under section 10AA(2)(a) of the Act and affirmed the Chief Commissioner's assessments.

Payroll tax

***Lombard Farms Pty Ltd v Chief Commissioner of State Revenue* [2013] NSWADT 17**

Issue: Grouping

Background: Lombard Farms Pty Ltd was grouped with four other corporations. All five corporations were grouped on the basis of common control and this was not contested. The Tribunal had to consider the Chief Commissioner's decision not to exclude Lombard Farms from the other four group members.

Decision: In determining an exclusion should not be granted the Tribunal focused on a substantial loan, centralised administrative practices, a common banking service, the leasing of premises between group members, the lack of formal directors meetings and the group decision making process where members of the same family made decisions for all five businesses as a whole.

Land and Property Information

***Copyright Agency Limited v State of New South Wales* [2013] ACopyT 1**

On 17 July 2013 judgment was delivered in this matter by Perram J, A/President, and Member Riordan of the Copyright Tribunal ("the Tribunal"). The decision follows lengthy litigation between the Copyright Agency and the State as to the use of survey plans by Land and Property Information, Department of Finance and Services ('LPI').

The Tribunal ordered that a royalty on the sale of plans be set as follows:

- In the case of over the counter sales by LPI, at a provisional rate of 7.94% of the price (not including GST) charged by LPI for such sales
- In the case of sales through LPI's online shop, at a provisional rate of 7.94% of the price (not including GST) charged by LPI for such sales
- In the case of sales by information brokers, at a provisional rate of 7.94% of the deemed price of $14.50, which price is to be indexed to the annual CPI and adjusted.

The provisional royalty rate of 7.94% is to be reduced once the parties have conducted a sampling exercise to determine how many plans out of a sample of 1,000 plans were created before 1 January 1925. The Tribunal set that the copyright in any plans prepared before 1 January 1925 has expired.

The payment to Copyright Agency Limited, as the collecting agency for surveyors, is to be paid in relation to surveyors who are members of the Copyright Agency Limited.

Land title transactions

***Castle Construction Pty Ltd v Sahab Holdings Pty Ltd and Registrar-General* [2013] HCA 11**

The background to the case is the Registrar-General removed an easement after service of notice on the benefited land owner. Sahab then purchased this land and requested the Registrar-General to restore the easement. This was refused, and the litigation ultimately made it to the High Court where several key provisions of the *Real Property Act 1900* were considered including: section 12(1)(d), section 42(1)(a1) and 122.

The High Court found there was no omission of an easement within the meaning of section 42(1)(a1) where the Registrar-General had deliberately removed the recording of the easement. In regards to section 12(1)(d) the Court affirmed that the power under this section is not an unqualified power, it is limited to administrative and clerical errors of the Registrar-General.

In regard to section 122 the Court found Sahab was not a person dissatisfied as they got what they bargained for with the land.

***Registrar General v Cihan* [2012] NSWCA 297**

An old system easement was correctly recorded when the land was brought under the provisions of the *Real Property Act*. A subsequent folio of the Registrar contained a description of the easement but failed to identify the dominant tenement. At first instance it was held that the easement was not sufficiently recorded because it failed to identify the dominant tenement.

The Court of Appeal held that the easement had been recorded, as the missing information was readily obtainable from available records.

Compensation from the Torrens Assurance Fund

During the 2012/13 financial year payments made in response to claims against the Torrens Assurance Fund totalled $2,671,968. In addition, in several cases the Registrar-General was successful in recovering his costs.

8.19 Overseas travel

Name and division	Date	Destination, purpose and benefits	Total actual cost	Net cost to DFS
P Clark NSW Public Works	29/06/2012 to 02/07/2012	Norfolk Island Work on Ocean Tide Monitoring Station to upgrade primary sensor and data logger software and maintenance of water level sensor	$2,032.32	$0*
D Clifford NSW Procurement Government Services	28/11/2012 to 01/12/2012	Wellington, New Zealand To attend Executive Masters Public Administration lectures offered through Australian and New Zealand School of Government	$686.00	$686.00
L Coe NSW Fair Trading	28/11/2012 to 30/11/2012	Wellington, New Zealand To attend Executive Masters Public Administration lectures offered through Australian and New Zealand School of Government	$1,045.00	$1,045.00
P Paton Land and Property Information	5 days during September to December 2012	Lord Howe Island To capture high resolution LiDAR data and update imagery database as part of the Spatial Data infrastructure program	$1,707.00	$1,707.00
R Crawford NSW Telco Authority	18/03/2013 to 21/03/2013	Bangkok, Thailand To attend Asia Pacific Telecommunications Wireless Group Meeting on behalf of National Coordinating Committee for Government Radio Communications	$8,000.00	Nil**
B Schaeffer NSW Public Works	10/04/2013 to 12/04/2013	Auckland, New Zealand To attend the 50th International Federation of Landscape Architects Conference	$2,000.00	$2,000.00

*Expenses met under contractual arrangement with the Office of Environment and Heritage

** Expenses met by Australian Government Department of Broadband and Digital Economy

8.20 Public interest disclosure

The Department has a Fraud and Corruption Internal Reporting Policy which includes processes for the handling of public interest disclosures. Staff were made aware of this policy by a Director General's podcast, information on the intranet, brochures, and through training programs.

	July 2012 – June 2013
Number of public officials who made PIDs	2
Number of PIDs received	2
Of PIDs received number primarily about:	
Corrupt conduct	1
Maladministration	1
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	2

Note: The number of PIDs finalised only refers to PIDs that have been received since 1 July 2012.

The table above includes PID data for the following agencies: Department of Finance and Services; Geographical Names Board of NSW; NSW Procurement Board; Waste Assets Management Corporation; Consumer Trader and Tenancy Tribunal; Fair Trading Administration Corporation; Motor Vehicle Repair Industry Authority (MVRIA); NSW Architects Registration Board and the NSW Rental Bond Board.

The following agencies have disclosed PID information in their own annual reports and are not included in the above table: NSW Land and Housing Corporation; Government Property NSW; Board of Surveying and Spatial Information (BOSSI); Teacher Housing Authority; State Records Authority and the NSW Government Telecommunications Authority.

The Australian Centre for Advanced Computing and Communication Pty Ltd (ac3) employees are not 'public officials' for the purposes of the *Public Interest Disclosures Act 1994*.

8.21 Research and development

NSW Public Works

NSW Public Works has been developing methodologies for propagating survey control over large sites where the use of a conventional Total Station instrument is rendered unfeasible due to sightline obstructions. This methodology involved the use of CORSNet* GNSS* and high-level Least Squares mathematics to resolve the position of survey control stations with promising results and achieving a high level of accuracy and repeatability.

It utilised Terrestrial Laser Scanning to identify deformation zones along rock revetment walls. This technique minimises risk to workers who previously had to climb along unsafe rock walls to collect survey data. The high-resolution spatial data is collected to high accuracy and a digital surface model created over the face of the wall. The same survey is repeated at a later date or regular intervals and the generated surface models are compared to identify areas where slumping or settlement has occurred, detecting movements of approximately +/-20mm.

These methodologies have reduced NSW Public Works' exposure to site safety hazards and used remote surveying techniques to resolve operational issues.

*(Continuously Operation Reference Station) *(Global Navigation Satellite System)

NSW Public Works is reviewing the arrangements for its co-sponsorship, with the University of NSW, of a four-year research project to understand erosion phenomena in embankment dams.

NSW Public Works' Manly Hydraulics Laboratory (MHL) introduced a new public web portal to provide access to environmental data. The system also transmits data to the Bureau of Meteorology and NSW State Emergency Services for fold and storm forecasting. Data collected includes water levels, water quality, salinity, rainfall and wave height. Development began of web services to automate standard data requests and manage data release conditions.

MHL operates a network of seven ocean wave monitoring buoys along the NSW coast for the Office of Environment and Heritage, data from which is used extensively for coastal investigations, design and management. Real time data is available to the community via the internet and it is also used by the Bureau of Meteorology for coastal water forecasts, storm warnings and verification of computer wave models. A project was completed to significantly enhance the value of this information by presenting directional wave energy spectral data, after the recent roll out of directional wave rider buoys for all monitoring locations along the NSW coast. This will significantly improve understanding of the NSW wave climate and be a valuable base-line resource to assess storm damage to coastal structures, beach erosion and monitor possible changes in the wave climate due to future climate change.

All research was carried out in-house by NSW Public Works.

Land and Property Information

In partnership with the University of NSW, LANDCOM and the Collaborative Research Centre for Spatial Information, Land and Property Information is piloting the use of high resolution radar, aerial and satellite optical imagery for near real time monitoring and mapping of the land development process. LANDCOM as the Government's leading housing development planner has major housing projects in train at Edmondson Park and Oran Park in south-western Sydney. The pilot will determine and model the feasibility of remotely sensed data being used over these areas to detect and monitor change in the landscape associated with greenfield development, in particular land clearing, earthworks, road and utility construction and the effect on surrounding occupations.

The project was able to utilise high resolution imagery and Lidar data supplied by Land and Property Information over several epochs coinciding with major earthworks associated with the South West rail link enabling the comparison of major changes to the landscape in accordance with the Edmondson Park Master Plan. The results from analysis of remotely sensed satellite radar data did not deliver the anticipated accuracy for change measurement purposes but did enhance the overall monitoring capability.

The completed project provided further understanding in the analysis of various types of remotely sensed data and their fitness for purpose.

The cost of Land and Property Information resources allocated to research and development was $24,600.

8.22 Risk management, attestation and insurance activities

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 AS/NZS ISO 31000: Risk Management Principles and Guidelines. The key objectives of the Enterprise Risk Management Framework are to:

- Integrate risk management principles and processes into corporate, division/entity 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, several key activities/initiatives were implemented in 2012/13:

- In January 2013, Suncorp Risk Services (SRS) began a risk management maturity assessment of the DFS cluster. This engagement was to undertake a comprehensive and systematic review of risk management processes within DFS and specific related entities. The aim of the review was to assess risk management maturity and identify opportunities to improve the overall management of risk. The Organisational Performance and Risk Branch along with SRS and a number of key stakeholders developed a draft risk management improvement plan (RMIP) for the cluster. This will be finalised in 2013/14
- During 2012/13, performance and risk management reporting for major projects, initiatives and reforms was implemented. This supported the DFS Corporate Plan
- A quarterly Cluster and Enterprise Risk Performance Report was developed and presented to the DFS Executive Team and DFS Audit & Risk Committee in June 2013. This report provided the DFS Executive, authority heads and audit and risk committees with visibility of the department's enterprise risks, as well as those risks residing within DFS divisions and related entities
- The department's enterprise risk management software (ERMS) is currently in its final testing phase and a soft launch is planned for August 2013. This system once in place will drive reporting efficiencies and standardise risk processes across the department.

Internal audit and risk management statement for the 2012/13 financial year for Department of Finance and Services

I, Laurie Glanfield, Director General of the Department of Finance and Services, am of the opinion that the Department of Finance and Services has internal audit and risk management processes in operation 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.

I, Laurie Glanfield, am of the opinion that the Audit and Risk Committee for the Department of Finance and Services 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:

- Carolyn Burlew, Independent Chair (period of appointment from 14 October 2011 to 14 October 2015)
- Ralph Kelly, Independent Member (period of appointment from 1 September 2011 to 1 September 2014)
- Jim Mitchell, Independent Member (period of appointment from 13 October 2011 to 13 October 2013)
- Elizabeth Crouch, Independent Member (period of appointment from 13 October 2011 to 13 October 2014)
- Cristina Cifuentes, Independent Member (period of appointment from 31 August 2012 to 31 May 2013)
- The vacancy created by the resignation of Cristina Cifuentes on 31 May 2013 is under active consideration for replacement.

These processes provide a level of assurance that enables the senior management of the Department of Finance and Services 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 on behalf of the Treasurer.

Laurie Glanfield
Director General
NSW Department of Finance and Services

Business risk insurance

DFS has insurance arrangements in place for all our assets and major risks. Principally insurable risk cover is provided 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 TMF deposit premiums increased by $1.1 million in 2012/13 compared to 2011/2012. The inclusion of the Land and Housing Corporation (LAHC) and Waste Assets Management Corporation (WAMC) in 2012/13 has contributed to the increase of $0.5 million and remaining $0.6 million is largely due to higher workers compensation premiums partially offset by lower property premiums.

Claims performance

Both the total number of occurred claims and the net incurred cost of claims reduced in 2012/13. The net incurred cost of claims is $0.4 million (15%) lower compared to 2011/12, mainly due to improved claim experience in workers compensation and motor vehicles.

Number of claims

	2009/10	2010/11	2011/12	2012/13
Workers compensation	278	255	252	155
Motor vehicle	224	227	200	133
Property	24	18	21	8
Liability	7	6	6	5
Other	1	1	1	-
TOTAL	534	507	480	301

Net incurred claims cost ($)

	2009/10	2010/11	2011/12	2012/13
Workers compensation	4,146,113	3,113,188	1,464,757	1,188,117
Motor vehicle	670,412	671,778	642,517	380,909
Property	358,114	61,795	185,792	68,118
Liability	284,131	1,379,439	321,523	595,000
Other	712	-	-	-

	2009/10	2010/11	2011/12	2012/13
TOTAL	5,459,482	5,226,200	2,614,589	2,232,144

Note: The previous years' claim numbers and their associated costs presented in the above tables were restated to represent the DFS principal department only. The number of claims and net incurred claims cost included in the 2011/12 annual report represented the DFS principal department and related entities within the DFS cluster

All incurred claims and relevant costs are sourced from the TMF database. They are based on the claims lodged and relevant assessment to date. The final costs and claim numbers may vary due to the timing of loss incurred, claims reported, and the outcome of negotiated settlement.

8.23 Senior Executive Service performance

For SES 5 and above

Michael Coutts-Trotter

Director General, Department of Finance and Services

SES 8 - Salary $511,200

2012/13 highlights:

- DFS led important sector wide procurement reforms to meet the Government's savings targets and make it easier for providers, especially small businesses, to supply government.
- DFS launched an ICT Strategy for the sector which fosters collaboration between Government and the private sector and seeks to improve how the government uses and acquires technology to enable reform.
- Delivered all milestones in the ICT strategy including publishing a whole-of-government Open Government Plan and launching a pilot of cloud computing.
- Increased opportunities for seniors in NSW to participate fully in community life through the development and publication of new standard retirement village contracts.
- Continued the comprehensive review of strata and community title laws, a joint project of NSW Fair Trading and Land and Property Information, which will examine all the laws to develop and manage community and strata schemes.
- Supported the successful delivery of the first ServiceNSW services centres.
- Helped to develop and implement new whole of government strategies to improve asset management including establishing Government Property NSW and selling Government buildings worth
- $400 million to recycle capital for reinvestment in infrastructure.
- Delivered red tape savings of $50 million a year by end 2013.
- Worked with other departments to guide state owned corporations transactions, reforms and divestments, including sale of electricity generators.
- Reduced overdue debt. The Office State Revenue significantly improved debt collections recovering $24.5 million in overdue Crown fines through private debt collectors and introduced reforms to reduce overdue fines debt, recovering an average of $1 million a day.
- Converted more than 15,000 Old System, Crown and manual Torrens Title land packages to electronic titles.

- The Electronic Conveyancing (Adoption of National Law) Act 2012 was passed by the NSW Parliament, a significant milestone to developing a national conveyancing law.
- Through NSW Public Works supported emergency services, providing engineering advice, setting up recovery centres and cleaning up asbestos after natural disasters.
- Completed independent review of how Valuer-General and Land Property Information manage and control risk, implementing a Service Level Agreement and an agreed audit plan.

Ken Kanofski

Executive Director, Housing and Property Group

Date left department: 28 June 2013

SES 6 – Salary $358,666

The Executive Director had the following functional responsibilities:

- Directing management of LAHC property assets to optimise the social and economic returns on investment
- Leading the development of the strategic asset framework, plans and budgets to establish priorities for optimising use of property assets, resource allocation and performance
- Identifying and pursuing opportunities for strategic and major projects to realise portfolio alignment and development objectives
- Establishing a portfolio asset performance monitoring framework.

Simone Constant

Executive Director, Office of Finance

SES 6 - Salary $328,650

2012/13 highlights:

- Continued to develop the newly created Office of Finance, establishing a new team, mandate and performance strategies
- Coordinated the Property Asset Utilisation Taskforce report, recommending a number of significant reforms to enable a more strategic approach to managing Government assets
- Led the sale of seven non-essential NSW Government buildings for more than $405 million that will fund essential infrastructure to increase the availability of new housing lots
- Represented Department of Finance and Services and actively participated as a key member of a number of the steering committees for various sale transactions and long term leases, most notably the long term lease of Port Botany and Port Kembla. Simone's role included shortlisting bidders and reviewing bidder documentation. The net proceeds of around $4 billion will be invested in the NSW Government's infrastructure fund – Restart NSW.

Brian Baker

Deputy Director General, NSW Public Works

SES 6 - $328,650

2012/13 highlights:

- Continued the capability development of NSW Public Works, ensuring it provides the highest level of professional services to Government agencies for capital assets design, delivery and maintenance and provision of expert advice to Government
- Supported the development and management of 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 87% and 92% 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 approximately over 5 times 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 82% for service delivery
- Continued to provide engineering support to emergency service combat agencies and functional areas throughout 2012/13. Major events responded to included, establishment of recovery centres in Bankstown, Coonabarabran, Grafton and Kempsey, asbestos clean-up following tornados in Kiama, Woodburn and Mulwala and clean up following the January 2013 Warrumbungle's bushfire and providing access into Upper Coopers Creek community following a road collapse
- Continued administration of the Natural Disaster Relief and Recovery Arrangements for NSW Treasury, providing financial assistance to local councils with payments to the value of $20.1 million made under the program for disasters.

Paul Jones

Group General Manager, Project Management, NSW Public Works

SES 5 – Salary $292,433

2012/13 highlights:

The Group General Manager has provided assistance to the Land and Housing Corporation, in the role of Project Director, to create a new maintenance contract for its portfolio which comprises some 128,000 assets. The creation of the new maintenance contract is to coincide with the cessation of the existing maintenance contract and achieve a staged implementation with the first stage programmed for implementation in January 2015 and the full implementation of all stages by July 2015.

Key achievements in the period included:

- Agreed aims and objectives with executive steering committee
- Devised and implemented a project timetable to meet the specific dates required by the Minister

- Developed an innovative approach to place a downward pressure on responsive maintenance costs, realise administration efficiencies and maintain competitive tension for planned maintenance
- Agreed the overall direction for the new maintenance contract and maintenance philosophy, contractor pricing, administration and procurement model
- Developed a comprehensive communication model and successfully engaged with stakeholders for the overall project
- Developed a comprehensive project plan to manage the key project risks
- Developed implemented comprehensive risk plan
- Developed and obtained concurrence to the business case
- Obtained agreement to the Performance management plan for the new contract which details how the maintenance contract is to be administered
- Documented the new processes for the administration of the contract
- Successfully implemented a pilot in two contract areas to test the new contract inclusive of staff transitioning into new roles and the facilitation of an interim IT solution to allow the pilot to run alongside the existing contract
- Facilitated the development of the IT options paper and IT strategy for the new maintenance contract
- Facilitated the development of the Workforce Plan which will set the new structure for the administration of the contract.

Peter Poulet

NSW Government Architect and General Manager, Government Architect's Office (GAO), NSW Public Works

Date of appointment: 28 February 2012

SES 5 - Salary $253,501

2012/13 highlights:

- Provided strategic expert advice to Government on architecture, urban design, development proposals and policy through representation on City of Sydney's Central Sydney Planning Committee, ANZAC Memorial Trust, Sydney Opera House Conservation Committee and Eminent Architects Panel, NSW Architect Registration Board and NSW Building Regulations Advisory Council.
- Built and offered a Design Thinking capability to Government including an Introduction to Design Thinking Seminar for Directors General across NSW Government and a Master Class on Design Thinking for the NSW Public Service Commission. Peter is a founding board member of the Design Innovation Research Centre at the University of Technology, Sydney.
- Promoted and championed design excellence and improved built environment outcomes through chairing and sitting on Design Reviews Panels including North West Rail Link Design Review Panel, Sydney International Convention, Exhibition and Entertainment Precinct, Transport for NSW Project Design Review Panel, Sydney Olympic Park Authority Design Review Panel, Roads and Maritime Services Bridge Urban Design Panel
- Established a cross-agency coordinating role for the Government Architect on multi-stakeholder projects including Bays Precinct Implementation Committee, Royal Botanic

Gardens Planning and Estate Committee, Parramatta Government Lands Steering Committee

- Realigned the skills and expertise within GAO to focus on delivering current Government priorities as outlined in NSW 2021 such as the delivery of the Urban Activation Precincts, North West Rail Link and other significant urban renewal projects
- Strengthened the approach to communication and engagement of clients, stakeholders and communities with particular regard to innovation including Design Thinking methodology and the promotion of visual tools and three-dimensional modelling and simulation
- Established a design review protocol within GAO to ensure review of all major projects to enhance design quality and achieve better built environment outcomes
- Applied environmentally sustainable design to Government buildings and assisted in the management of designs for major capital works for public projects.

Rod Stowe

Commissioner, NSW Fair Trading

SES 6 - Salary $328,650

2012/13 highlights:

- Retirement villages standard contract and associated disclosure documents finalised, to commence in law on 1 October 2013, assisting in delivering NSW 2021 goal 25 (Increase opportunities for seniors in NSW to fully participate in community life)
- Major legislative reforms initiated and on track in four key areas of Fair Trading regulation:
  - Home building
  - Strata and community title schemes
  - Residential parks
  - Motor dealers and repairers.
- Successfully managed the transition of front counter services from an existing network of 26 Fair Trading Centres across NSW to the newly established Service NSW one-stop-shop model. This involved a significant restructure of Fair Trading's Customer Services Division, which is maintaining its dispute resolution and community engagement activities in both metropolitan Sydney and regional NSW
- Major realignment of our Compliance and Enforcement functions was delivered, as recommended by the Shearer review in November 2012. The realignment is already delivering enhanced compliance outcomes in NSW, improved customer service standards in Fair Trading's compliance and enforcement work as well as an expansion of Fair Trading's leadership of national projects under the Australian Consumer Law
- NSW, together with Victoria, has been the lead regulator in the formulation and implementation of the national Travel Industry Transition Plan, agreed to by national consumer affairs Ministers in 2012. This is an historic de-regulation of the travel industry, with the requirement for a licence to conduct business as a travel agent due to be abolished by 1 July 2014.

Anne Skewes

Deputy Director General, Housing and Property Group

(Deputy Director General, Government Services until 27 May 2013)

SES 6 - Salary $349,797

2012/13 highlights:

- Delivered new simplified and streamlined Government contracts and prequalification schemes, including eQuotes, and a new single procurement website Procurepoint
- Completed procurement savings project to allocate $1.015 billion in procurement savings
- Supported ICT Strategic Delivery projects, including data centre consolidation, the ac3 sale and corporate and shared services reform across the sector
- Co-ordinated reform of shared services delivery including change management and as a service procurement strategies
- Leadership support for the implementation of the Government Licensing Service
- Implemented the Fleet Efficiency Review including Chair of the Fleet Board
- Chaired the Procurement Leadership Group and was executive member of the Industry Advisory Group to provide reform of Government procurement.

Sanjay Sridher

Executive Director, Commissioning Transaction Services, Office of Finance

SES 5 - Salary $ 292,433

2012/13 highlights:

- Conducted extensive market engagement and pricing research to inform future NSW Government Corporate and Shared Services Reform (CSSR) strategies. Continuing member of the CSSR Steering Committee.
- Completed Government Business Services strategy and business case that was considered by the Expenditure Review Committee in December 2012
- Developed a whole of sector commissioning approach and framework that is being progressively implemented across the State
- Participated extensively in the Public Service Commission's Senior Executive Service reforms and a member of the sector's Innovation Leadership Group
- Led the market testing and divestment process of ac3 Pty Ltd.

Tony Newbury

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

SES 6 - Salary $328,650

2012/13 highlights:

- Collected more than $19 billion in revenue including $293 million in additional tax revenue through compliance activities
- Resolved $798 million in overdue tax debt and $253 million in overdue fines debt

- Managed private sector debt arrangements, which assisted in the recovery of $24.5 million in overdue Crown fines and negotiated payment arrangements worth a further $19.9 million
- Implemented reforms to reduce overdue fines debt, resulting in the recovery of an average of $1 million each business day, an increase of 33%
- Implemented several strategic projects, including Electronic Funds Transfer (EFT) payments for duties assessments
- Updated the SDRO website in September 2012 to make it easier for clients to use
- Began work on the Behavioural Insights Project to improve the effectiveness of our client notifications
- 91% per cent of staff were proud to work in OSR, reflected in the latest staff opinion survey
- 88% of clients were satisfied with the services provided by OSR and 86% were positive about the courtesy and professionalism of OSR staff.

Des Mooney

Registrar-General, Surveyor-General, General Manager, Land and Property Information

SES 5 - Salary $322,450

2012/13 highlights:

- Ensured continuing business sustainability:
  - Maintained profitability by implementing expenditure reforms and exceeded profit targets against a background of a soft property market
  - Implemented the Vision 2020 workforce development plan
- Pursued whole-of-government initiatives:
  - Led introduction of the *Electronic Conveyancing (Adoption of National Law) Act 2012*, which came into operation on 1 January 2013
- Developed and streamlined products and services:
  - CORSnet-NSW, developed to assist farming and other rural industries, has 120 permanent base stations providing accurate, reliable and easy to use GPS positioning services to farmers, surveyors and engineers in rural locations
  - Released the new NSW Road Naming Policy for public comment in June 2013. This policy received overwhelming support from Local Government and the NSW Address Working Group. The Geographical Names Board will approve the final policy for release in August 2013
  - Released a new web service that provides easier access to the State's cadastral and topographic data. The web service, known as Clip & Ship, was developed in response to client feedback for more customised, affordable and instantaneous delivery of LPI's fundamental spatial datasets.

Anthony Lean

Deputy Director General, Government Services and Policy

(Deputy Director General, Policy and Executive Services until 27 May 2013)

SES 6 - Salary $ 321,420

2012/13 highlights:

- Led procurement reform across Government:
  - Introduced NSW Procurement Board's Strategic Directions Statement for procurement and accompanying procurement policy framework on 1 January 2013
  - Delivered Policy and Executive Services Division actions against the Strategic Directions Statement, in accordance with agreed time-frames
- Led the delivery of the ICT Strategy 2012 across Government:
  - Actions largely on track in delivery of Policy and Executive Services Division milestones on ICT strategy to time and quality, or were reset with agreement of Minister
  - ICT Strategy Principles embedded in implementation of ICT Reinvestment Pool, and whole-of-government projects funded
- Reviewed and implemented the Metropolitan Water Plan to secure Sydney's Water Supply (NSW 2021 Goal 21) and the Lower Hunter Water Plan:
  - Supported the DFS Director General in his role as Chair of the Metropolitan CEOs' Committee and provided oversight of supporting governance structure that coordinates water planning and management for metropolitan NSW
  - Plan for engaging with the Lower Hunter community developed by October 2012, demonstrating work is on track to deliver the draft 'Lower Hunter Water Plan' by December 2013, with three rounds of consultation occurring in the remainder of the financial year
- Added value as a central agency that collaborates with other central agencies, clusters and external stakeholders
  - Resources dedicated to progress initiatives relevant to all central agencies and their Ministers – extensive communications program rolled out in DFS on the Towards a Strategic Centre: Better Ways of Working initiative.
- Delivered on the Government's red tape reduction targets:
  - DFS remained on track to deliver red tape reductions of $200 million a year from July 2014

John Hubby

Deputy Director General, Corporate Services

SES 6 – Salary $ 314,173

2012/13 highlights:

- Established the DFS Chief Procurement function, achieved DFS accreditation to the 2C level and developed and implemented the DFS Procurement Strategy, DFS Procurement Manual and DFS Procurement Management Plan
- Led the implementation of the DFS Corporate Operating Model project and delivered savings for the 2012/13 period. The Corporate Operating Model (COM) project supports the implementation of the Blueprint for Corporate and Shared Services Reform and achieves benchmark costs in support services. Adoption of WOG V4 standard business

processes was included as a key input into the COM business process redesign work stream. COM design also established standardised frameworks and functions for use across DFS including a service management framework

- Successfully developed and implemented a change management framework supported by tools, templates and technology
- Launched the Aboriginal Workforce Strategy in June 2013 and implemented Aboriginal awareness training through TAFE Eora campus for all DFS executive and senior managers
- Established an Enterprise Portfolio Management Office (EPMO) and Risk Management framework and developed a benefit realisation strategy to provide for formal management and reporting of savings target achievement in the following areas: labour cap, accommodation, procurement and ICT
- Fully established the department's Chief Information Officer role and implemented a governance framework for technology and investment within the department including the completion of the DFS ICT Strategy 2013-2015
- Launched the DFS People Strategy and published its key actions
- Implemented Performance Development Plans within the department, resulting in over 65% of staff having PDPs in place.

Sajeev George

Chief Financial Officer

SES 6 – Salary $ 317,790

2012/13 highlights:

- Strengthened the financial management and accountability arrangements within the cluster in line with the Treasurer's strategy to improve financial accountability in the public sector
- Achieved better than budget financial performance for 2012/13 through ongoing financial analysis, financial control, performance monitoring and reporting
- Developed 2013/14 budget in full compliance with Treasury budget strategy and obtained additional budget for key initiatives to support Government priorities
- Managed DFS cluster's statutory reporting responsibilities with unqualified audit reports and no major accounting errors or variations
- Implemented audit recommendations for improvement to internal control and financial management framework
- Developed and implemented DFS cluster's financial reporting framework to provide accurate, timely and consistent financial performance reports to the Executive, Minister and the Treasury
- Implemented new budgeting and forecasting policies and procedures to improve forecasting capability and realignment of budget to priority areas.

Colleen Dreis

General Counsel

Date appointed: 9 January 2013

SES 5 - Salary $ 272,958

2012/13 highlights:

- Managed the effective and efficient restructure of different legal branches across the cluster in accordance with the Corporate Operating Model to align with the changing needs of the business and generate significant savings
- Provided effective legal support to the divisions of the department
- Provided effective legal support to ensure protection of the position of the State's interest in the data centres as a result of the sale of Metronode
- Provided effective legal support to the Office of Finance in relation to the implementation of the Property Asset Utilisation Taskforce recommendations and other initiatives
- Negotiated major contracts and resolved disputes
- Release of the Just Terms Compensation Review Consultation Paper
- Successfully defended a multi-million dollar claim for alleged design defects
- Co-ordinated the legislative program
- Supported procurement reform.

There were no performance payments made within the reporting period.

Brett Newman

Chief Executive Officer, Government Property NSW

Date appointed: 29 April 2013

SES 7 – Salary $358, 650

2012/13 highlights:

- Provided leadership in the implementation of the Government's Property Asset Utilisation Taskforce (PAUT) recommendations to reform asset management across Government and develop an integrated model for asset management and surplus property disposal
- Completed, in conjunction with the Office of Finance, the sale of seven commercial office buildings in Sydney and regional NSW, for $405 million
- Directed the resolution of accommodation options for central Government, in particular for ministers and their staff, the Department of Premier and Cabinet and NSW Treasury
- Continued the implementation of the Government's Decade of Decentralisation policy on office accommodation
- Provided strategic advice to Government on divestment opportunities across NSW Government agencies
- Developed a restructure plan and engaged staff in building a culture of performance, innovation and service within Government Property NSW
- Oversaw the completion of the GPNSW program of work for the year, including:

- The vesting of owned and leased property assets under the Government's policy for the centralised ownership and management of office accommodation
- Agency portfolio reviews and regional studies to identify improvements in agency property management outcomes and better alignment of property assets with agency service delivery needs
- The surplus asset sales program, achieving almost $10 million from the sale of surplus Government assets
- The $22 million capital refurbishment program for 2012/13.

Paul Dobing

Executive Director, NSW Procurement

Date Appointed: 1 February 2013

SES 5 – Salary $ 268,830

2012/13 highlights:

- Established prequalification schemes for contingent workforce, ICT services, motor vehicles and financial assessment services; reducing red-tape and making it easier for industry to do business with Government
- Over 80% of suppliers on the newly established prequalification schemes are small to medium enterprises
- Implemented a category management model including the development of whole-of-Government category management plans for energy, travel, contingent workforce, professional services, workplace supplies, fuel and ICT
- Actively collaborated with key stakeholders including participation in working groups with industry and inter-agency representation
- Launched the NSWBuy suite of eProcurement solutions which improve procurement processes including: NSWBuy eCatalogues, the NSWBuy B2B trading hub, and NSWBuy eQuote
- Launched the ProcurePoint website providing a one-stop-shop for buyers and suppliers to easily access Government procurement information.

William Murphy

Executive Director, Strategic Policy

Date Appointed: 15 January 2013

SES 5 – Salary $ 272,958

2012/13 highlights:

- Developed the NSW Government ICT Strategy and implemented key initiatives. Those completed in 2012/13 included establishing principles for open Government, expansion of the data.nsw website, easier access to Government publications (opengov.nsw.gov.au), social media policy and an open access licensing framework that will progress open Government in New South Wales. The NSW Government Digital Information Security policy was also established to set clear standards and objectives across the sector
- Implementation of the NSW Government's procurement reform agenda and actions under the Strategic Directions Statement included providing key direction to the sector with the NSW Government Goods and Services Procurement Policy and improving

opportunities for small and medium enterprises (SME) to do business with Government through the implementation of a new SME policy framework

- Prepared the NSW Government's response to the Collins Inquiry into Insolvency in the Construction Industry in Implementation of the Government's commitments began with the introduction of strengthened governance arrangements with the establishment of the Construction Leadership Group and Industry Advisory Group and consultation draft on key reforms in the Building and Construction Industry Security of Payment Bill to engage broadly with the industry
- Led effective engagement across the sector and industry, through the management of governance structures, to support the delivery of key Government priorities and reform in ICT, procurement and construction industry.

Malcolm Freame

Chief Information Officer

Date Appointed: 30 July 2012

SES 5 – Salary $ 287,000

2012/13 highlights:

- Completed the DFS ICT Strategy which demonstrated alignment to the NSW ICT 2012 strategy
- Working with Strategic Policy - ICT led the development of the NSW Digital Information Security Policy which was published in November 2012
- Developed the Social Network and collaboration framework within DFS
- Led the development of core DFS ICT policies, in collaboration with divisions and agencies in DFS, which have been published and deployed
- Led the development of the Program Management Office in the Office of the CIO and developed the standards and adoption of Prince2
- Working with Information Services completed the restructure of the Information Services business and realignment of its functions, which was completed in March 2013.

Pedro Harris

Executive Director, ICT Strategy Delivery

Date Appointed: 3 December 2012

SES 5 – Salary $ 266,300

2012/13 highlights:

- New Government data centres at Silverwater and Unanderra constructed to industry body Uptime Tier III design requirements
- Acquired 100% interest in ac3 shares from NSW Universities and restructured company for divestment in alignment with Government data centre reforms
- Government Licensing System enhanced as a digital platform for Service NSW operations including a whole-of-government payments module
- Government Licensing System achieved key target of replacing 41 standalone agency licensing systems catering for 144 types of business, vocational and recreational licences

- Corporate and Shared Services Reform Standards (V4) published repository of finance, human resources and payroll process to support Government agency corporate transformation programs.

Ken Sheargold

Acting Executive Director, ServiceFirst

SES 5 – Salary $272,976

2012/13 highlights:

- Fully implemented management assurance to provide an effective quality framework to manage risks and internal controls
- Introduced a transparent pricing model based on a set of principles agreed with ServiceFirst clients
- Implemented alternate sourcing models to better support ServiceFirst clients with effective engagement of industry partners
- Managed effectively the continuing machinery of Government changes
- Implemented a management oversight board to ensure clients were well informed about ServiceFirst changes and delivery of services
- Provided strategic advice to the Government's Corporate and Shared Services Reform agenda.

8.24 Waste reduction and purchasing policy

The department actively applied and promoted the Waste Reduction and Purchasing Policy (WRAPP) as it continued to reduce waste, increase resource recovery (recycling and reuse) and purchase recycled content materials.

The Waste Management Strategy was rolled out in the McKell Building, the department's largest tenancy, during 2012 to improve recycling and reduce waste going to landfill.

Key changes on each floor included:

- Introducing centralised bin stations on each floor with separate bins for organics, recyclables and garbage
- Supplying standardised bins with colour-coded lids and improved signage
- Collecting organic materials, which were then composted
- Removing waste bins (but not paper recycling bins) from under desks and in training rooms.

The Waste Management Strategy's aim is to increase the current 50% commercial and industrial recycling rate for the McKell Building to an estimated 80% by 2014.

DFS minimised 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.

The department also actively promoted the purchasing of office paper containing recycled content and this resulted in 99% of white paper purchased during 2012/13 containing recycled content.

Refurbishment of the McKell Building continued in 2012/13. This included the rollout of a number of energy conservation features such as compact fluorescent lamps, motion sensors, cut-out switches and use of natural lighting and ventilation.

Materials and furniture used in the new fitouts have a high sustainability rating, are made from recycled content, have a low volatile organic compounds emission, and are durable, functional and, where possible, recyclable at end of life.

The McKell Building sustainability actions were developed and implemented to comply with the Premier's Memorandum 2008-28, which outlines the Government's Sustainability Policy and goal of becoming carbon neutral by 2020.

8.25 Access to offices of the Department of Finance and Services and related entities

This report is available from the Department of Finance and Services website www.finance.nsw.gov.au/about-us/annual-reporting

For access to regional office information, contact the relevant division/entity.

Department of Finance and Services

McKell Building
2-24 Rawson Place
Sydney NSW 2000

Tel: (02) 9372 8877
Fax: (02) 9372 8640

www.finance.nsw.gov.au

Hours: 8:30am – 5:30pm

Divisions

Housing and Property Group

223-239 Liverpool Road
Ashfield NSW 2131

Tel: (02) 8753 8000
Fax: (02) 8753 8888

www.finance.nsw.gov.au

Hours: Mon to Fri 8.30am – 4.30pm

Office of Finance

1 Prince Albert Road
Queens Square
Sydney NSW 2000

Tel: (02) 9372 8023

www.finance.nsw.gov.au

Hours: 8:30am – 5:30pm

NSW Public Works

McKell Building
2-24 Rawson Place
Sydney NSW 2000

NSW Fair Trading

1 Fitzwilliam Street
Parramatta NSW 2150

PO Box 972

Tel: (02) 9372 8949
Fax: (02) 9372 7499

www.publicworks.nsw.gov.au

Hours: 8:30am – 5:00pm

Government Services and Policy

McKell Building

2-24 Rawson Place

Sydney NSW 2000

Tel: (02) 9372 8738

Fax: (02) 9372 7633

www.finance.nsw.gov.au

Hours: 8:30am – 5:00pm

Land and Property Information

1 Prince Albert Road
Queens Square
Sydney NSW 2000

GPO Box 15
Sydney NSW 2001

T: (02) 9228 6666
F: (02) 9233 4357

www.lpi.nsw.gov.au

Hours: 8:30am - 4:30pm

Parramatta 2124

Tel: (02) 9895 0111
Fax: (02) 9895 0222

www.fairtrading.nsw.gov.au

Hours: 8:30am – 5:00pm

Office of State Revenue

Lang Centre, cnr Hunter and Marsden Streets
Parramatta NSW 2150

GPO Box 4042
Sydney NSW 2001

Tel: (02) 9689 6200
Fax: (02) 9689 6464

www.osr.nsw.gov.au

Phone enquiries: 8:30am – 5:00pm
Counter services: 8:30am – 4:30pm

Related entities

NSW Procurement Board

Level 22
McKell Building
2-24 Rawson Place
Sydney NSW 2000

Tel: (02) 9372 7748
Fax: (02) 9372 7633

nswbuy@services.nsw.gov.au

Hours: 8:30am – 5:30pm

Australian Centre for Advanced Computing and Communication (ac3)

Office address
Bay 8
Locomotive Workshop
2 Locomotive St
Australian Technology Park
Eveleigh NSW 2015

Postal address
Suite 7002
Locomotive Workshop
2 Locomotive St
Australian Technology Park
Eveleigh NSW 2015

Tel: (02) 9209 4600
Fax: (02) 9209 4611
info@ac3.com.au

www.ac3.com.au

Geographical Names Board

346 Panorama Avenue
Bathurst NSW 2795

Tel: (02) 6332 8214
Tel: 1800 025 700
Fax: (02) 6332 8217

www.gnb.nsw.gov.au

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PO Box 972
Parramatta 2124
Tel: (02) 9895 0111
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www.fairtrading.nsw.gov.au

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2-24 Rawson Place
Sydney NSW 2000
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Land and Property Information
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Sydney NSW 2000
GPO Box 15
Sydney NSW 2001
T: (02) 9228 6666
www.lpi.nsw.gov.au

NSW Public Works
McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8949
www.publicworks.nsw.gov.au

Office of Finance
1 Prince Albert Road
Queens Square
Sydney NSW 2000
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www.finance.nsw.gov.au

Office of State Revenue
Lang Centre
Corner Hunter & Marsden Streets
Parramatta NSW 2150
GPO Box 4042
Sydney NSW 2001
Tel: (02) 9689 6200
www.osr.nsw.gov.au

Housing and Property Group
223-239 Liverpool Road
Ashfield NSW 2131
Tel: (02) 8753 8889
www.finance.nsw.gov.au

Geographical Names Board
346 Panorama Avenue
Bathurst NSW 2795
Tel: 1800 025 700
www.gnb.nsw.gov.au

NSW Procurement Board
Level 22 McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 8840
www.nswbuy.com.au

Australian Centre for Advanced Computing and Communication (ac3)
Suite 7002
Locomotive Workshop
2 Locomotive Street
Australian Technology Park
Eveleigh NSW 2015
Tel: (02) 9209 4600
www.ac3.com.au

Waste Assets Management Corporation
Level 4
10 Valentine Avenue
Parramatta NSW 2150
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