



## **annual report**

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**Department of Finance, Services and Innovation**

NSW Department of Finance, Services and Innovation annual report 2016–17

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### **Author**

Department of Finance, Services and Innovation (DFSI)

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Dear Ministers

### Department of Finance, Services and Innovation annual report 2016-17

I am pleased to submit the annual report for the NSW Department of Finance, Services and Innovation for the year ended 30 June 2017, 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 the:

- NSW Procurement Board
- Registrar General
- Surveyor General
- Geographical Names Board of NSW
- Office of the Valuer General
- Board of Surveying and Spatial Information

This report also includes the following Annual Reports as appendices

- Rental Bond Board
- Building Professionals Board
- NSW Telco Authority
- Subsidence NSW
- State Archives and Records Authority
- Office of the Valuer General

Yours sincerely

Martin Hoffman  
Secretary

Encl.

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## Compliance checklist

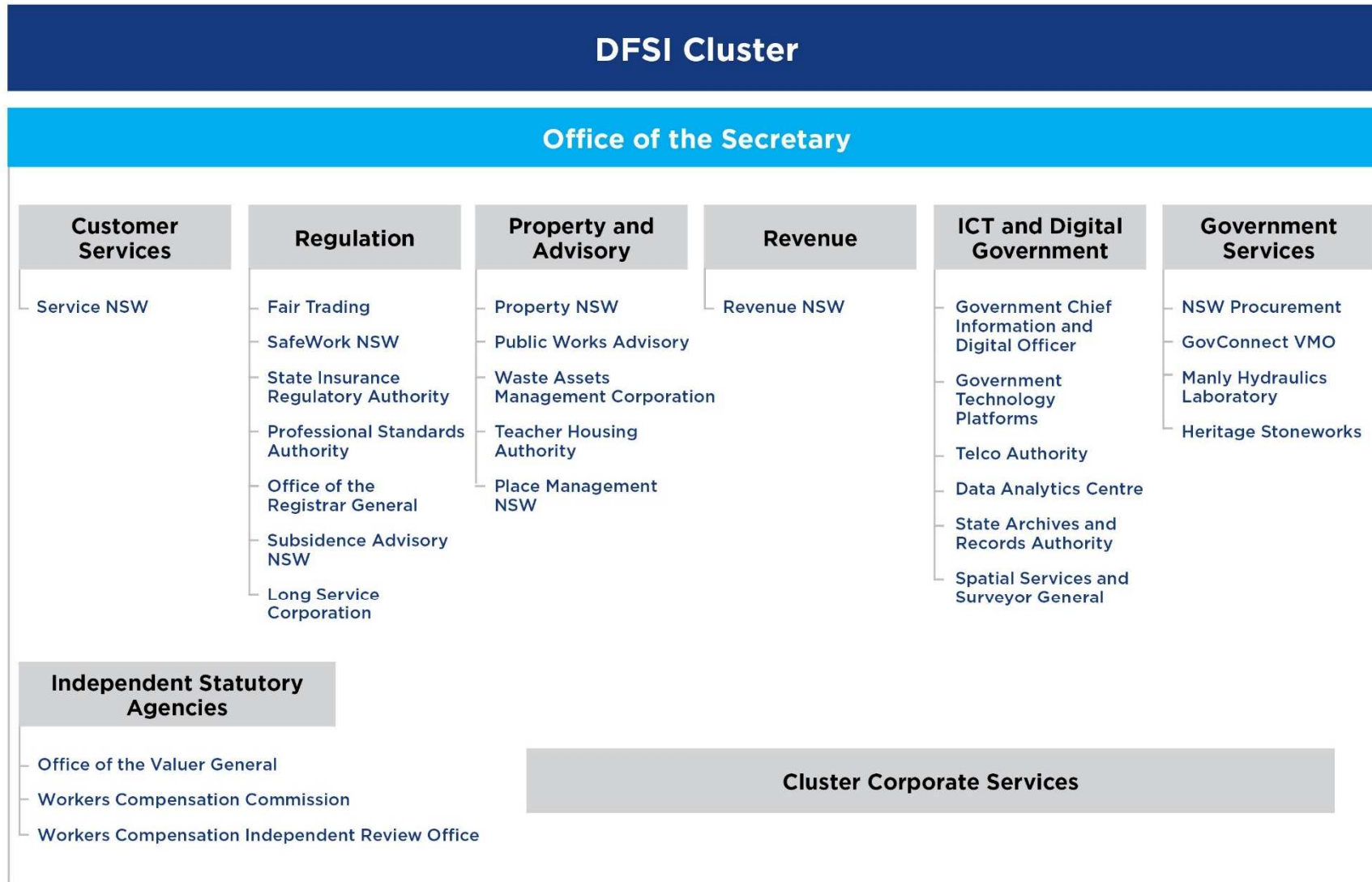
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## Other entities' annual reports

Rental Bond Board  
 State Archives and Records Authority  
 Subsidence Advisory NSW  
 Building Professionals Board  
 Telco Authority  
 Office of the Valuer General

## DFSI FUNCTIONAL STRUCTURE\*



\* Includes a selection of DFSI entities only

## About this report

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This report covers the Department of Finance, Services and Innovation (DFSI) and cluster agencies as at 30 June 2017.

Included in this report, under the section titled 'Department of Finance, Services and Innovation related entities' reports' are annual and other reports for the:

- NSW Procurement Board
- Office of the Registrar General
- Surveyor General
- Geographical Names Board of NSW
- Board of Surveying and Spatial Information.

The annual report is available at: <https://www.finance.nsw.gov.au/publication-and-resources/annualreports> and [www.opengov.nsw.gov.au/about](http://www.opengov.nsw.gov.au/about).

The following entities are included as appendices to the DFSI Annual Report:

- Rental Bond Board: [http://www.fairtrading.nsw.gov.au/ftw/About\\_us/Publications/Annual\\_reports.page](http://www.fairtrading.nsw.gov.au/ftw/About_us/Publications/Annual_reports.page)
- State Archives and Records Authority of New South Wales: <https://www.records.nsw.gov.au/about-state-records/annual-report>
- Subsidence Advisory NSW: <http://subsidence.nsw.gov.au/>
- Building Professionals Board: <https://bpb.nsw.gov.au>
- NSW Telecommunications Authority (Telco Authority): <http://telco.nsw.gov.au/content/annual-reports>
- Office of the Valuer General: [http://www.valuergeneral.nsw.gov.au/publications/annual\\_reports](http://www.valuergeneral.nsw.gov.au/publications/annual_reports).

The following business areas produce their own annual reports as required under legislation:

- Property NSW (which includes Property NSW, Waste Assets Management Corporation, Teaching Housing Authority of New South Wales and Place Management NSW): <https://www.property.nsw.gov.au/about-us>
- NSW Architects Registration Board: <http://www.architects.nsw.gov.au/publications>
- Professional Standards Councils: <http://www.psc.gov.au/news-and-publications/annual-reports>
- Service NSW: <https://www.service.nsw.gov.au/news-type/publications-and-downloads>
- State Insurance Regulatory Authority (SIRA): <http://www.sira.nsw.gov.au/about-us/annual-reports>
- Workers Compensation Commission: <http://www.wcc.nsw.gov.au/Policies-and-Publications/Pages/Annual-review.aspx>
- Workers Compensation Independent Review Officer (WIRO): <http://wiro.nsw.gov.au/publications>.



## Secretary's message

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During the reporting year DFSI made significant progress against the NSW Government's key priorities and our five strategic organisational outcomes – *services, innovation, regulation, finances* and *people*. The highlights and achievements for 2016-17 are outlined on pages 18 to 26 of this Annual Report. They should be read in the context of over two years of rapid and substantial reform, during which the cluster has been reoriented to *deliver and enable world class public services* against a backdrop of fiscal discipline and increasing demand for public services.

The need to do more with less is a reality for most public sector organisations. This shouldn't be seen as a threat to service delivery or quality outcomes. As an organising principle, the concept of doing more with less requires the public sector to get its house in order so it can spend less on just 'opening the doors', and invest more in real outcomes for citizens. It's a simple idea but hard to execute well.

Major reform in any organisation is difficult and disruptive but there are particular challenges for the public sector. The community is expecting more from government while trusting less. An over-privileging of the status quo and a tendency to rely on form over substance can limit the public sector's ability to be responsive and dynamic. Public servants care deeply about the work they do for the community and are motivated to create external change where they see opportunities. In my experience, we need to be more willing to accept that internal change is a necessary and ongoing part of delivering more value for citizens. Change won't stop and we must get better at managing it.

Our approach at DFSI has been to tackle transformative rather than incremental change, and to do so at pace. We've focused on results. We've kept the citizen firmly at the centre of everything we do to make sure that we're working towards outcomes real people care about. We've also made sure the right capability and administrative arrangements are in place to competently and quickly implement big changes. Today, the Finance, Services and Innovation cluster is delivering more than we were three years ago.

We have reduced waste and duplication within our own department and across the sector through consolidation of accommodation, and found better ways to manage fleet services and contingent labour.

We've exited businesses that did not need to be run by the public sector, such as architectural and project management services in public works, and leased the operation of the Land Titles Registry which generated \$2.6 billion, to be reinvested into schools, hospitals, public transport and roads, while retaining important functions such as Spatial Services and the Office of the Registrar General.

As stewards of the State's largest property portfolio, Property NSW is selling or leasing properties that are not required for the delivery of government services, are underutilised or are expensive to maintain, and reinvesting in areas that matter more. For example, the proceeds of the sale of 290 properties at Millers Point will be used to build 1,500 new social housing dwellings.

The State's two big statutory insurance schemes – Workers Compensation and CTP – have been reshaped in the past two years. In 2015, reform to the NSW Workers Compensation Scheme saw premiums reduce by \$1 billion, along with fairer support for people most seriously injured in the workplace. This year the NSW Parliament passed legislation that will see Green Slip prices drop by an average of \$120 for metropolitan vehicles while also delivering better protections for those who need it most. A new organisation, the State Insurance Regulatory Authority, was created to regulate the CTP and Workers Compensation Schemes.

SafeWork NSW and Fair Trading NSW have come together under one division to design and deliver customer-centric solutions to better protect consumers and workers. One recent example is the popular FuelCheck app. More than a million motorists have already used the service to save money at

the browser. Our regulatory teams are also working with the community and stakeholders to solve complex safety issues such as quad bikes in country areas and mental health in the workplace.

Through Service NSW, citizens of NSW can now transact with government efficiently in a way that few would have thought possible just a few years ago. There is now one website, one phone number, one shop front and one mobile app for more than 900 transactions across 40 public sector agencies.

DFSI is supporting the Government's Decade of Decentralisation policy by reducing the amount of expensive CBD office space occupied by public sector agencies and making it possible for more public sector employees to work closer to where they live. New state-of-the-art office accommodation being built in Gosford and Parramatta will accommodate public sector employees from late 2018 onwards.

Internally, we're also making changes for the future and working hard to make DFSI a great place to work. It's the commitment and capability of our people that will allow us to continue making the big shifts we've seen in recent years. Improving the employee experience and building a culture of engagement is central to our performance as an organisation.

The reforms outlined above are just some of the ways that this diverse cluster is doing things differently. Everyone that has contributed their ideas, their energy and their hard work should be very proud of what we've achieved. Thank you for your efforts. Collectively we are in good shape to continue to meet the challenges of the future.



**Martin Hoffman**  
**Secretary**  
**Department of Finance, Services and Innovation**

# 1. About Finance, Services and Innovation

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## 1.1 Who we are

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DFSI is a service provider, regulator and central agency of government.

DFSI proudly delivers public value by making and enabling sustained improvements to public services in NSW.

The DFSI cluster covers six broad functions: customer transactions, regulation, property and advisory, revenue, ICT and digital government, and government services.

Each function has a range of entities within it and an even broader range of responsibilities and services.

DFSI's main responsibilities are:

- customer transactions: deliver customer-facing transactions on behalf of all government agencies, providing a single point of contact for customers for a range of licensing and transactional services.
- regulation: regulate, educate and provide services directly to individuals and businesses to create a fair, safe and equitable marketplace, and investigate unfair practices. Provide regulatory services to ensure workplaces are safe, and insurance that supports road users, workers and homeowners. Regulate land titling systems in NSW.
- property and advisory: manage the leasing, utilisation, acquisition and disposal of significant property assets across government. Provide valuation, facilities management, place management, and asset construction and advisory services across government.
- revenue: state revenue, taxation, fines and debt collection programs.
- ICT and digital government: deliver whole-of-government platforms and services, and the ICT assurance and procurement functions, and lead government's digital and data agenda.
- government services: includes whole-of-government procurement, shared services outsourcing, and other specialist services.

### Changes during the year

The Public Works Advisory function of the former NSW Public Works was moved into the Property and Advisory Group in August 2016. The Manly Hydraulics Laboratory and Heritage Stoneworks became part of the Government and Corporate Services division.

Those business units in the Land and Property Information division that were not subject to the concession for the Titling and Registry Services were allocated to new divisions during 2016-17. Spatial Services became part of the ICT and Digital Government division; the Office of the Registrar General became part of the Better Regulation Division; and Valuation Services became part of the Property and Advisory Group.

### DFSI divisions

At 30 June 2017, DFSI comprised nine administrative divisions:

- Better Regulation Division
- NSW Fair Trading
- ICT and Digital Government

- Land and Property Information
- Property and Advisory Group
- Office of State Revenue
- Service NSW
- Government and Corporate Services
- Office of the Secretary.

### DFSI related entities

The following related entities exist outside the principal office's administrative body and are established pursuant to legislation, but are administratively operated within one of the above divisions.

#### **Finance, Services and Property portfolio**

- Board of Surveying and Spatial Information (BOSSI)
- Geographical Names Board of New South Wales (GNB)
- Property NSW (PNSW)
- New South Wales Government Telecommunications Authority (Telco Authority)
- New South Wales Procurement Board
- Service NSW
- State Insurance Regulatory Authority (SIRA)
- State Archives and Records Authority of New South Wales (SARA)
- Place Management NSW
- Teacher Housing Authority of New South Wales (THA)
- Waste Assets Management Corporation (WAMC).

#### **Innovation and Better Regulation portfolio**

- NSW Fair Trading Administration Corporation
- Rental Bond Board
- Building Professionals Board
- NSW Architects Registration Board

### Changes outside the reporting period

The NSW Government completed its transaction to award the 35-year Titling and Registry Services concession to Australian Registry Investments on 30 June 2017. As a consequence, from 1 July 2017 Land and Property Information ceased to be a division within DFSI. SIRA, which formed part of the Better Regulation Division, became a standalone division. The Better Regulation Division and NSW Fair Trading merged to become the Better Regulation Division led by the Deputy Secretary Better Regulation Division/Commissioner for Fair Trading. The Office of State Revenue changed its name to Revenue NSW in July 2017.

## 1.2 What we do (at the date of report)

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### Better Regulation

Better Regulation Division (BRD) serves the consumers and traders of NSW backed by strong industry and Fair Trading laws. It also works to improve workplace health and safety. BRD includes:

#### **NSW Fair Trading**

NSW Fair Trading (Fair Trading) is the consumer protection agency that safeguards the rights of all consumers and advises businesses and traders on fair and ethical practice.

#### **Fair Trading Administration Corporation**

The Fair Trading Administration Corporation (FTAC) was a statutory body administered by DFSI with services managed by Fair Trading. The scheme closed on 30 April 2004, however the *Home Building Act 1989* provided for acceptance of claims up to the end of April 2007. The final claim was paid on 30 November 2016. FTAC was repealed under the *Home Building Amendment (Compensation Reform) Act 2017* on 30 June 2017.

#### **SafeWork NSW**

SafeWork NSW (SafeWork) is the state's workplace health and safety regulator, working with the community to reduce work-related fatalities, serious injuries and illnesses while making it easier to do business safely.

#### **Office of the Registrar General**

The Office of the Registrar General (ORG) sits within BRD for administrative purposes, but reports directly to the Secretary. ORG is an independent regulator overseeing the performance of the land title registry operator (Land and Property Information).

#### **State Insurance Regulatory Authority**

The State Insurance Regulatory Authority (SIRA) was established through the *State Insurance and Care Governance Act 2015*. SIRA aims to ensure people who suffer injury or loss are supported, and insurance is affordable, well managed and sustainable.

SIRA regulates workers compensation insurance and related activities, motor accidents compulsory third party (CTP) insurance and home building compensation insurance in NSW. It also provides independent dispute resolution services.

SIRA approves premium, licencing and policy frameworks for insurers, effectively supervises insurers, and monitors the financial solvency and performance of the three above mentioned compulsory insurance schemes.

#### **ICT and Digital Government**

ICT and Digital Government (IDG) is the home of technology, responsible for digital transformation and developing digital capacity within the NSW Government. With a citizen-centric approach, IDG applies a whole-of-government lens to its work and builds collaborative relationships with key stakeholders.

IDG is a leader in bringing together people, technology and an ambitious digital agenda. Through this plan IDG demonstrates how it is not just 'doing digital' but also 'being digital' in what it delivers. IDG uses agile project methodologies to redefine the way it delivers its commitments and achieves its outcomes.

## Property and Advisory Group

Property and Advisory Group (PAG) includes Property NSW (PNSW) and Public Works Advisory (PWA). PAG undertakes a diverse range of services on behalf of the NSW Government, including property reform, asset management, transactions and major projects, place making, valuation services, and infrastructure advisory.

PNSW is the NSW Government's central agency responsible for considering strategic real property asset management issues. PNSW primarily manages the NSW Government's non-specialised property portfolio, including office and other generic assets, and the key precincts of Darling Harbour and The Rocks. PNSW's focus is on the strategic review, acquisition, divestment and greater utilisation of the government's real property assets and precincts, which results in better visitor experiences and services for the people of NSW.

PNSW's assets comprise office buildings; significant heritage properties, teacher housing, non-commercial assets and land holdings, and many have been vested in PNSW by other government agencies.

PNSW works closely with a range of government agencies, providing specialist industry knowledge, expertise and understanding of the unique requirements of government property management.

PWA supports local and state government agencies in the delivery of infrastructure projects by providing expert advisory services, including advice on how to adopt the services of 'best-fit' providers, and assisting with project delivery oversight and assurance.

PWA's services are built on a foundation of more than 160 years of effective delivery and management of critical infrastructure projects for NSW. PWA leverages this experience to deliver the best possible infrastructure solutions for the future.

## Revenue NSW

The principal revenue agency for the state government, Revenue NSW contributes to a prosperous society by collecting state taxation and other revenue fairly, for and on behalf of the people of NSW.

Revenue NSW contributes to a safe society by managing fines and payments due to Government and also provides valuable assistance to families and enterprises across NSW by administering grants and subsidies. Revenue NSW also recovers debt to provide an equitable outcome for the community.

## Service NSW

Service NSW offers a one-stop shop for government services. The agency is the customer service flagship for the NSW Government, offering a multi-channel network comprising service centres, a single contact centre, a website and app that provide greater access to government services at one location. Service NSW delivers world class customer service to the people of NSW, and the team continues to maintain a customer satisfaction score of over 97 per cent.

## Government and Corporate Services

Government and Corporate Services (GCS) provides strategic policy, advisory, transaction and assurance functions. GCS also provides specialist services supporting the government sector and clusters including procurement, water modelling and monitoring services, and heritage stoneworks, as well as leading the benefits realisation of transactional shared services to GovConnect for DFSI and other agencies.

In 2016-17, GCS transformed its corporate operating model, consolidating individual corporate services functions embedded across DFSI divisions into an efficient, centre-led customer and client-focused matrix model.

GCS is comprised of seven business units:

- Corporate Affairs

- Corporate Finance
- Government Services including NSW Procurement, Manly Hydraulics Laboratory and Heritage Stoneworks
- Information Communications and Technology
- Legal and Audit
- People and Culture
- GovConnect Vendor Management Office.

## Office of the Secretary

The Office of the Secretary business units are: Policy Projects, Cabinet, Property Acquisition Standards Group, Premier's Priority 12 program, Risk Services and Corporate Planning, Performance and Portfolio Office, and Ministerial Services. The Office of the Secretary:

- delivers independent, strategic advice, taking a whole-of-government and cluster perspective
- drives high-quality decision making
- coordinates and quality assures DFSI's advice for Ministers and the Secretary
- delivers major reform, transformation and change programs for the organisation
- manages a range of programs where they are deemed a Premier's, Ministers' or Secretary's priority and require close scrutiny, or involve transformational reform of the way DFSI divisions do business
- is responsible for enterprise risk services, business continuity, corporate planning and strategic performance management of the organisation.

## 1.3 Principal officers (at the date of report)

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### **Martin Hoffman**

#### **Secretary, Department of Finance, Services and Innovation**

Martin joined DFSI as Secretary on 3 August 2015.

Prior to joining DFSI, Martin was Deputy Secretary at the Commonwealth Department of Industry and Science, where he managed resources and energy matters, including significant international bilateral engagement with the International Energy Agency and the G20.

Before joining the public sector in the Department of the Prime Minister and Cabinet in 2009, Martin had an extensive private sector career, primarily in digital media and technology.

After working in consulting and banking in Australia and Hong Kong, Martin held senior roles at Optus, the Garvan Institute of Medical Research and Fairfax Media.

Martin was CEO of NineMSN from 2003 to 2006, led Moko Social Media Ltd (ASX:MKB) to an IPO in July 2007 as CEO, and founded the digital media advisory and investment business Ulysses Ventures.

Martin holds an MBA (Hons) from the Institute for Management Development (IMD) in Lausanne, Switzerland, a Master of Applied Finance (Macquarie) and Bachelor of Economics (Sydney). Martin completed the Executive Fellows program at the Australia New Zealand School of Government (ANZSOG) in 2009, and was awarded the James Wolfensohn Public Service Scholarship to study at the Harvard Kennedy School in 2013.

**Andrew Gavrielatos**  
**Acting Deputy Secretary, Better Regulation Division**  
**Acting Commissioner for Fair Trading**

Andrew has worked in senior roles within NSW Fair Trading for 20 years, most recently as Executive Director, Real Estate and Property, delivering strata reforms and facilitating reforms to raise property industry professional standards. He has also delivered major technology solutions including Rental Bonds Online.

Andrew is on the board of the Society of Consumer Affairs Professionals Australia (SOCAP) and has served as its President. He holds Bachelor degrees in Arts and Social Work from the University of Sydney and a Master's degree in Management from the University of Technology NSW.

**Carmel Donnelly**  
**Acting Chief Executive Officer, State Insurance Regulatory Authority**

Carmel has been the acting Chief Executive and a SIRA Board member in an ex-officio capacity since 18 March 2017.

Carmel holds an Executive Master of Business Administration from the Australian Graduate School of Management, a Master of Public Health from the Faculty of Medicine at the University of Sydney, and a Bachelor of Arts (Honours Psychology) from the University of Sydney. She is a Graduate Member of the Australian Institute of Company Directors and an Associate Fellow of the Australasian College of Health Service Management.

Carmel has extensive experience as a senior executive in NSW Government. Her previous roles include leading regulation of workers compensation and home building compensation as an Executive Director in SIRA, General Manager, Strategy and Performance for the Safety, Return to Work and Support agencies in NSW, General Manager and Deputy General Manager at the Motor Accidents Authority of NSW and Director, Strategy and Planning with Fire and Rescue NSW. She has also been a Review Director in the NSW Department of Premier and Cabinet and an Associate Director in NSW Health.

**Damon Rees**  
**Acting Chief Executive Officer, Service NSW**  
**Government Chief Information and Digital Officer**

Damon was temporarily appointed as the Chief Executive Officer of Service NSW in September 2017.

Damon is the first NSW Government Chief Information and Digital Officer (GCIDO). His wide brief encompasses guiding NSW to be a world-leader in the areas of digital, data and cyber security.

Since joining the public sector in May 2016, Damon has overseen whole-of-government reforms in ICT investment and assurance, the creation of NSW's first Government Chief Information and Security Officer and the release of the NSW Digital Government Strategy.

Prior to this, Damon was the Chief Digital Officer at Macquarie Bank, and earlier held senior leadership positions with Woolworths and Westpac Banking Group.

**Brett Newman**  
**Deputy Secretary, Property and Advisory Group**  
**Chief Executive Officer, Property NSW**

Brett joined Property NSW as Government Property NSW's Chief Executive Officer in April 2013 and is the Deputy Secretary of the Property and Advisory Group. He leads the NSW Government's owned and leased property portfolio, which generates revenues in excess of \$500 million per annum.

Brett is Chair of the Teacher Housing Authority and the Strategic Property Transactions Committee, and participates in a number of government-wide strategic steering committees. Prior to leading



Property NSW, Brett held numerous senior executive positions with organisations such as Blackstone, Westpac, Stockland, Challenger and Macquarie Bank.

Brett was awarded the Public Service Medal (PSM) in 2017 for outstanding public service to property and asset management in NSW.

**Stephen Brady**

**Deputy Secretary, Revenue NSW**

**Chief Commissioner of State Revenue, Commissioner of Fines Administration**

Stephen was appointed as the Deputy Secretary of Revenue NSW, and Chief Commissioner of State Revenue and Commissioner of Fines Administration in July 2015. Prior to joining Revenue NSW, Stephen was a Deputy Secretary in NSW Department of Premier and Cabinet and NSW Treasury. In addition to 15 years' experience in the NSW Government, Stephen also has 15 years' experience in investment banking and corporate management. Stephen holds honours degrees in Commerce and Law from the University of Queensland.

**Jeannine Biviano**

**Deputy Secretary, Government and Corporate Services**

Jeannine Biviano joined DFSI on 3 April 2017 in the position of Deputy Secretary, GCS and brings a wealth of experience from the public, private and not-for-profit sectors. Jeannine previously held the role of Deputy Secretary, Finance, Strategy, and Operations for the NSW Department of Industry from 2011. In 2013, Jeannine was awarded the title of Telstra NSW Business Woman of the Year, is a Fellow of the Institute of Chartered Accountants, a graduate of the Australian Institute of Company Directors, and holds a Master of Economics.

**Laura Christie**

**Executive Director, Office of the Secretary**

Laura joined DFSI in January 2016 as the Executive Director of the Office of the Secretary. Laura has extensive experience in policy development and analysis. Prior to DFSI, Laura spent three years at the NSW Department of Premier and Cabinet, including managing the Resources and Energy portfolio.

Before this, Laura worked in a variety of roles across the public, private and not-for-profit sectors, including as Senior Policy Advisor at Mission Australia, and four years in the Commonwealth Government as an Advisor in the Department of Prime Minister and Cabinet. Laura holds a first class honours degree in Economics and Social Sciences from the University of Sydney.

**Changes to the Executive in 2016-17**

The former Deputy Secretary of Better Regulation Division and Chief Executive Officer of State Insurance Regulatory Authority, Anthony Lean was appointed as Chief Executive Officer of the Office of Environment and Heritage on 17 March 2017.

The former Deputy Secretary, Government and Corporate Services, John Hubby was transferred to the Department of Family and Community Services on 24 March 2017.

## 2. Highlights and achievements

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### 2.1 Better Regulation Division

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#### Strata law reforms

The Government introduced modernised strata scheme laws on 30 November 2016. These new laws affect 1.2 million people living in more than 76,000 strata schemes across NSW and follow a comprehensive review process conducted over a number of years. Through seminars with industry associations and an education campaign, strata owners, tenants and professionals were made aware of the most significant changes to NSW strata laws in decades.

#### FuelCheck

The FuelCheck website was launched in August 2016 supporting price transparency in the petrol market by providing reliable, real-time data about fuel prices at every service station in NSW. Under amendments to the Fair Trading Act and Regulation in April 2016, service stations are required to simultaneously report and update their petrol prices online. The FuelCheck website had over two million hits by the end of June 2017.

#### Complaints register

The NSW Fair Trading complaints register was launched in August 2016, the first of its kind in Australia. Published monthly, it lists businesses that are the subject of 10 or more complaints to NSW Fair Trading in a calendar month. The register enables more informed purchasing decisions by consumers and provides an incentive for businesses to improve their complaint handling. Complaints received by NSW Fair Trading fell by 15 per cent in the first nine months after data collection commenced.

#### Loose-fill asbestos program

The NSW Government taskforce administered a voluntary purchase and demolition program to identify and remediate properties affected by loose-fill asbestos in NSW. This included receiving and processing over 70,000 homeowner registrations, inspecting over 38,000 properties, providing financial assistance to 139 homeowners of affected properties, purchasing 81 properties and successfully demolishing and remediating 14 of these.

#### Work health and safety roadmap

Through extensive industry consultation, SafeWork NSW developed and launched a six-year strategy to significantly reduce serious injuries, illnesses and fatalities in workplaces. Efforts to begin to embed a health and safety landscape in NSW included running a mass advertising campaign entitled 'Safety starts with you', and addressing high risk harms such as through the quad bikes safety program.

#### Rebuild Assist

As part of the Northern Rivers flood recovery project, several NSW Government agencies collaborated to develop Rebuild Assist, a one-stop shop website to assist consumers to make informed decisions about which tradesperson to use and for licence holders in the home building industry to stay compliant. Rebuild Assist was subsequently rolled into a contractor and consumer portal called Construction Assist, which helps builders, tradespeople and homeowners quickly find the advice and information they need.

## 2.2 State Insurance Regulatory Authority

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### CTP Green Slip reform

The Motor Accident Injuries Bill 2017 was passed by the NSW Parliament in March 2017, following 12 months of extensive consultation with SIRA's stakeholders and the community. The new scheme will commence in December 2017, and will better assist injured road users to return to maximum health and employment, and provide for the needs of the more seriously injured. It includes defined benefits for all injured road users for up to six months, regardless of fault.

### Home building compensation reform

The Home Building Amendment (Compensation Reform) Bill 2017 was passed by the NSW Parliament in June 2017. The reforms, expected to commence in early 2018, aim to create a sustainable scheme, maintain consumer protections and encourage market competition, and will complement administrative changes by icare HBCF, as well as other reforms across the building industry. The reforms made SIRA responsible for licensing and regulating home building compensation providers and setting applicable standards.

### Workers compensation regulation

Through consultation with stakeholders and citizens, SIRA reviewed the Workers Compensation Regulation 2016 and key workers compensation guidelines, and implemented a new workers compensation insurer supervision model that will drive improvement in insurer performance.

### Countering fraud in the CTP Green Slip scheme

SIRA worked extensively with the NSW Police Strike Force Ravens, providing analysis and data on the CTP scheme and suspected unlawful activity. As a result, in 2016-17, there were 11 arrests and 89 charges concerning fraudulent claims totalling in excess of \$10 million. Following publicity about arrests by Strike Force Ravens, SIRA has identified reductions in minor represented claims and increased levels of withdrawn claims within the scheme.

### New self-insurer licensing requirements

SIRA comprehensively reviewed the self-insurance licensing framework to understand the issues with the licensing scheme. It then worked extensively with stakeholders on the development of a new framework, which allows workers compensation risks to be quickly identified and addressed, while incentivising self-insurers to improve their performance by providing a level of earned autonomy (and reduced regulatory burden) where they have demonstrated a high level of performance.

### Guidelines for workplace Return to Work programs

The Guidelines for workplace Return to Work programs were finalised after review and consultation. The Guidelines clearly articulate the obligations of the different categories of employers and ensure they are aligned with legislative intent. They will support, inform and guide employers and other stakeholders in the development of an effective workplace Return to Work program. Employers are required to be compliant by the end of a transition phase on 31 May 2019.

## 2.3 ICT and Digital Government

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### Digital Government Strategy

The Digital Government Strategy was launched in May 2017. The Digital Government Strategy sets the vision for the whole-of-government transformation to a digital and agile public sector. It leverages digital technology to deliver smart, simple and seamless services to the people of NSW. The strategy

supports the Premier's and State Priorities to deliver 70 per cent of all government transactions via digital channels by 2019 and has been developed in close consultation with industry, government, citizens and the research sector.

## **Innovation Strategy**

The Innovation Strategy promotes and enables new ideas and innovation throughout government and wider society. Launched in November 2016, key initiatives of the Strategy include: the NSW Innovation Concierge, a front door for entrepreneurs wishing to do business with the Government; Regulatory Sandboxes which enable people to test innovative products or services that may currently be constrained by NSW regulations; and the Innovation Launch program where complex challenges are taken to the market so innovators can pitch their ideas for a chance to receive seed funding and a chance to incubate, prototype and test their solution within government.

## **Establishment of the ICT Assurance Framework**

The ICT Assurance team was established in late 2016 to support a strengthened NSW Government ICT Investment Governance Model. ICT Assurance works in partnership with NSW Government agencies to produce a greater return on ICT investment through the on-time and on-budget delivery of the State's critical ICT projects and improved service delivery for NSW citizens. As at October 2017, the team has agreed assurance plans for 83 projects across all ten clusters, with a total lifetime value of \$5.8 billion and completed 51 project reviews with a total value of \$3.9 billion.

## **ICT stream in the NSW Graduate program**

The NSW Government Graduate Program improved 20 places in the Australian Financial Review's Top 100 Graduate Employer rankings in 2017. The program provides rotating placements across an 18-month program, providing diverse work opportunities and exposure to multiple Government departments and agencies. For the first time, the program included a specialised stream of 21 ICT graduates to support the implementation of a range of ICT projects and programs across a variety of departments and roles. This new focus on building ICT skills and capability within the public sector reflects the NSW Government's strategic plan to attract and develop the talent needed to transform government ICT.

## **Digital, citizen-centric solutions**

Together with Service NSW, the OneGov team were behind the first launch of digital licences in November 2016 and FuelCheck in August 2016. OneGov also created the API Portal enabling third parties to create their own apps and services using a digital marketplace concept. The OneGov team was awarded two national awards at the Australian Information Industry Association's iAwards in 2016, including first prize in the Public Sector and Government category for their FuelCheck project and the OneGov Digital Gateway. OneGov was also one of three DFSI teams who were joint winners in the Improving Government Services category of the 2016 NSW Premier's Awards for their Digital Gateway project.

## **NSW Government Chief Information Security Officer appointed**

Dr Maria Milosavljevic was announced as the new Government Chief Information Security Officer in March 2017. Dr Milosavljevic has been tasked with identifying areas of high risk of attack, and working across NSW agencies to share intelligence, facilitate minimum security standards, and ultimately ensure that citizens can trust in the NSW Government's delivery of digital transformation.

## 2.4 Property and Advisory Group

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### Public sector jobs relocation

In 2016-17, Property NSW helped the NSW Government deliver on its Decade of Decentralisation policy to relocate public sector jobs from the Sydney CBD to metropolitan and regional centres. It secured the 62,000m<sup>2</sup> long-term office accommodation lease for three government departments in Walker Corporation's 4 Parramatta Square development – the largest ever NSW Government agency leasing commitment in Western Sydney. The development will accommodate at least 4,000 public service roles from 2019. Property NSW also delivered a plan for a \$30 million-plus office development at 32 Mann St, Gosford, to enable the relocation of more than 300 DFSI roles from 2018. The development will create 90 direct construction jobs, 30 new jobs in the planning and design stages, and more than 330 ongoing indirect jobs.

### Asset recycling

This financial year, Property NSW recycled more than \$500 million in assets for agencies to reinvest in infrastructure and services, including contributing \$120.7 million to Restart NSW to support the NSW Government's record infrastructure investment.

### Interactive land value summaries

In January 2017, Valuation Services developed and implemented a public interactive portal, enabling landholders to access valuation information summaries for local government areas (LGAs) and regions. The interactive summaries illustrate land value trends, median land values, sale prices, as well as typical land values across NSW. Interactive summaries are available for residential, commercial, industrial and rural properties in all LGAs and 14 regions across the state. Since the implementation, 746 unique visitors have sought information on regional summaries and 3,452 have sought information on individual LGA summaries.

### Millers Point sales deliver social housing boost

As at 30 June 2017, Property NSW successfully managed the sale of 148 government-owned properties (197 dwellings) in Millers Point, generating more than \$418 million to be reinvested into new social housing developments across the state. More than 600 new fit-for-purpose dwellings have been funded to date in a number of areas across NSW, including Coffs Harbour, Penrith, Jannali and Wollongong.

### Creating better places for visitors

In 2016-17, there were more than 40 million visits to Darling Harbour and The Rocks, accounting for a consumer spend of more than \$3 billion per annum. In The Rocks, planning approval was obtained for a \$32 million restoration of the state heritage-listed landmark, Campbell's Stores, and a \$15 million initiative to renew and revitalise the area's retail tenancies was launched. In Darling Harbour, the \$1.5 billion International Convention Centre Sydney opened in December 2016 and has since welcomed hundreds of thousands of visitors to the precinct.

### Advisory services

In 2016-17, Public Works Advisory (PWA), through its state-wide network of 18 offices, worked on more than 1,500 projects, with a combined capital value of circa \$4.6 billion, for 145 state and local government clients. These projects included providing project management services for the \$13.5 million upgrade and \$11.4 million fit-out of a Wollongong commercial office building to house the new NSW State Emergency Services headquarters.

## Delivering teacher accommodation

Property NSW continues to support the Department of Education by providing teachers with quality housing services in 200 rural and remote communities, where the private rental market is unable to meet their accommodation needs. The division completed the construction of three new flexible housing residences in Finley, Condobolin and Coonamble in 2016-17. It also carried out \$3.1 million in major works on 46 residences to improve the quality of accommodation for teachers across the State.

## 2.5 Revenue NSW

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### Record amount of Crown revenue collected

Revenue NSW collected a record \$29.4 billion in revenue. This represents over 35 per cent of NSW finances, funding essential community services such as healthcare, school education, public transport and policing. This record was achieved through a strong economy backed by sustained property market growth, and digital and innovative solutions to make revenue collection more efficient and effective.

### Becoming a more customer-centric organisation

In 2016-17, Revenue NSW focused on a multi-year transformation program to become more customer-centric. This was underpinned by initiatives such as the MyCustomer feedback portal, used to capture customer and staff feedback, and customer workshops in a newly dedicated Collaboration Laboratory (the “Co-Lab”). Additionally, 38 staff were appointed as Customer Experience (CX) champions and 50 staff trained on applying design-thinking methodology to achieve more customer-focused solutions.

### Protecting vulnerable clients

People experiencing severe hardship can be disproportionately impacted by fines debt that they cannot pay. An alternative is the Work and Development Order (WDO) program, enabling eligible participants to complete unpaid work, educational or drug and alcohol treatment activities. With 10,857 WDOs completed, \$27.6 million in fines was worked off.

### Whole-of-government debt recovery strategy

Revenue NSW is broadening access to its government debt management services following its success in delivering these to NSW Ambulance. Debt to the value of \$144 million was referred from NSW Ambulance, of which \$116 million was resolved. Total NSW Ambulance collections increased to \$27.6 million, up 21.25 per cent compared with previous years.

### Solatium payments

The NSW Government reviewed its approach to land acquisition and has delivered some major improvements to make the process fairer, more transparent and customer friendly for landowners. Revenue NSW remitted \$15.6 million in solatium payments to owners or occupiers for properties acquired by the NSW Government. Revenue NSW also helped recipients find unclaimed money owing to them and supported customers to resolve any outstanding fines or debt owed to another government agency.

### Foreign owner surcharges

As part of measures introduced to increase housing supply, foreign owner surcharges for duties and land tax were introduced. They apply to agreements entered into after 20 July 2016 for the purchaser duty surcharge and from the 2017 tax year for land tax surcharge. There were 3,991 transactions for

which purchaser duty surcharge was paid, with a total surcharge value of \$185.5 million. There were 2,557 surcharge land tax assessments issued, with a total surcharge value of \$18.3 million.

## 2.6 Service NSW

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### Helping millions of customers and businesses

In 2016-17, Service NSW continued to deliver a high standard of customer service and maintain an impressive customer satisfaction rating of 97 per cent. Service NSW helped more people than ever this financial year, delivering services to customers and businesses through a network of 79 service centres, 32 council agencies and six self-serve digital kiosks, a transactional website and the Service NSW app. This resulted in 7.7 million customers assisted across NSW, including 3.5 million calls answered at contact centres.

### Digitising licences

In an Australian first, SNSW introduced five digital licences that provide customers with a simple, easy-to-use and convenient alternative to having a physical licence: the Recreational Fishing Licence, Responsible Service of Alcohol (RSA), Responsible Conduct of Gambling (RCG) Competency Cards and Vessel Registration and Personal Watercraft/General Boat Licence. These licences are available for licence holders through a MyService NSW account on an opt-in basis.

### Reaching customers in rural and regional communities

Service NSW expanded its services to customers in regional and rural areas of the State significantly in the past year. Around 77 per cent of Service NSW's network is now located in rural and regional areas across NSW, with 14 of the 16 new service centres opened in 2016-17 located in rural and regional communities. The number of customers in these areas will continue to grow, with another 24 service centres in rural and regional areas set to open over the next two financial years.

### Simplifying the Government licensing process for small businesses

Service NSW, in partnership with other key agencies, developed the Easy to do Business Program. Easy to do Business has changed the small business landscape by integrating three government tiers using a digital solution that has reduced 48 forms to a single streamlined online application for highly regulated sectors such as cafés, restaurants and small bars. It has reduced the time to start one of these businesses from 18 months to around 90 days.

### Allowing customers to choose how they pay

In 2016, Service NSW began implementing a new payment services platform, which provides customers with a contemporary experience when they make a payment at any SNSW channel, including support for new payment types in the future such as PayPal, Apple Pay, Masterpass and Visa Checkout. SNSW became the first Government agency in Australia to adopt Google's cashless Android Pay service, making the contactless payment service available to Android users in all Service NSW centres across the state in August 2016. The payment services platform was rolled out to service centres across the state, reducing multiple payment systems and streamlining the receipt of monies in 2016-17. It also enables SNSW to recover merchant fee surcharges which is a NSW Treasury requirement.

### Assisting Service NSW staff to perform their best every day

Service NSW implemented a People Development Strategy in 2016-17. The strategy aims to provide a suite of learning and leadership development options that meet the needs of Service NSW staff across all channels and support the growing needs of the business. These options include tailored

pathways and programs such as induction, leadership fundamentals and skills improvement programs.

## 2.7 Government and Corporate Services

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### Information communications and technology

ICT significantly progressed its 'fewer, better systems' program to rationalise systems and reduce technology costs. A key project included federated identity management, merging all sub-domains from four separate active directories into one. Half of DFSI employees were successfully moved onto the new SAPConnect system with the remainder of DFSI to follow. DFSI divisions are also progressively being on-boarded onto a single project management tool, Clarity, and multiple telephone systems across contact centres (SIRA/SafeWork and Fair Trading) have been consolidated. Major capital initiatives supported or led by DFSI ICT include the SEED Environmental Data Portal, Rebuild Assist and Fair Trading's FuelCheck.

### Financial management transformation

DFSI supported the NSW Government's Financial Management Transformation program, sponsored by Treasury, to develop a world-class financial management framework. This included significant efforts to deliver DFSI's contribution to the State Budget through implementation of the new Treasury IT system, Prime, and associated processes, including introducing program budgeting and reporting across the cluster.

### Maintaining our heritage assets

In October 2016, Heritage Stoneworks won a National Trust Heritage Award for its restoration work on the nearly 150-year-old Choragic Monument of Lysicrates (replica) in the Royal Botanic Gardens. Other achievements include restoration projects at Royal Prince Alfred Hospital, the Sydney Hospital façade, the Art Gallery of NSW and the Bathurst Courthouse.

### Making flood information more accessible

Manly Hydraulics Laboratory launched a new app, Floods Near Me, which provides flood information, road closures and flood warnings throughout NSW. It is available in app stores and will be further enhanced in 2017-18.

### Enhancing Government procurement

NSW Procurement has transformed prequalification schemes to assist agencies to find suppliers prequalified to work with Government across multiple categories. Process improvements via [www.tenders.nsw.gov.au](http://www.tenders.nsw.gov.au) saw more than 5,600 suppliers assessed in less than five working days on average in 2016-17. Other improvements include rationalising vehicle models on approved vehicle lists (AVL) from 700 to less than 300, providing cost savings of 14 to 18 per cent and reducing average carbon dioxide emissions by up to 14 per cent. Consolidating fleet planning has also enabled centralised portfolio analytics and data sharing, resulting in improved lease arrangements and new bidding processes, saving \$200 per month per vehicle.

### Enhancing GovConnect services

The Vendor Management Office (VMO) has ensured significant improvements were made to GovConnect services, including remediating internal controls and an adverse qualification for payroll, resulting in positive audit and assurance results compared to 2015-16. GovConnect IT Tech Desks were introduced across three sites in the Sydney CBD to provide customer-centric services. The VMO also successfully on-boarded the Healthcare Complaints Commission to GovConnect in October 2016, increasing the number of government agency clients to eight.



## Supporting digital driver licences

Legal provided significant advice and support on proposed options for the development of digital driver licences, including the conduct of a digital driver licence trial and the legislative amendments to the *Road Transport Act 2013* included in the *Electronic Transactions Legislation Amendment (Government Transactions) Act 2017*.

## Providing strategic communications

Corporate Affairs provided extensive strategic communications support across DFSI initiatives. Highlights include developing a new SIRA website, and delivering major public awareness and education campaigns to support government priorities in workplace health and safety, changes to strata laws, Biofuels (E10) and compulsory third-party insurance reforms. Corporate Affairs also responded to more than 1,400 media enquiries, with 98 per cent responded to within the deadline.

## Leadership development

In July 2016, People and Culture launched a leadership pathway to support development of leaders at several levels. These programs include my mentor: Courageous Women, a program designed for aspiring female leaders; Leadership Essentials, a mandatory program for people leaders (over 500 people have completed the program to date); and Leadership Excellence, a flagship program for senior leaders co-designed with McKinsey & Company, which focuses on developing capabilities to support sector-wide transformation.

## 2.8 Office of the Secretary

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### Reforms to the mine subsidence compensation framework

Central Policy Office (CPO) recommended a series of reforms to the framework, which were endorsed by Government in September 2016. The reforms provide a fairer and more efficient process for mine subsidence compensation, delivering better outcomes for affected property owners, the coal mining industry and government. The reforms require underground mine operators to compensate home and infrastructure owners directly, making them financially and socially responsible for damage caused by their operations. The Mine Subsidence Board has also been transformed into Subsidence Advisory NSW within DFSI, and will take on a strong case management role to assist property owners affected by mine subsidence, as well as refocus on its role as regulator of development. Legislation to implement these reforms was passed by Parliament in August 2017.

### Reforms to the land acquisition framework

CPO delivered the government response to the reviews of the *Land Acquisition (Just Terms Compensation) Act 1991* by Mr David Russell SC and the Customer Service Commissioner (CSC). The response committed the government to implement an overwhelming majority of the Russell and CSC recommendations. The response was publicly released in October 2016, and the *Land Acquisition (Just Terms Compensation) Amendment Act 2016* was passed by Parliament and took effect from 1 March 2017. The new process is designed to reduce confusion for the resident and provides a six-month negotiation period before compulsory acquisition can occur. It includes enhanced communication, particularly in relation to compensation and decision-making by the Valuer General. It also increases the maximum payment for compensation due to disadvantage resulting from relocation to \$75,000.

### Premier's Priority 12 (PP12)

DFSI, along with the Customer Service Commissioner (CSC), is the lead agency for the delivery of PP12 – improving customer satisfaction with key government services every year. Key activities and achievements under PP12 include:

- the rollout of a sector-wide Complaint Handling Improvement Program, Feedback Assist, and the progressive deployment of the Feedback Assist widget
- the establishment of a Community of Practice for Customer Service
- the development of cluster Customer Service Improvement Plans
- an improvement in the Customer Satisfaction Index for consumers year-on-year to 2017.

## Supporting Government's digital transformation

CPO led a review of the legislative barriers and opportunities to support the digital transformation of Government. CPO worked across the whole-of-government to develop the Electronic Transactions Legislation Amendment (Government Transactions) Bill, which amends 53 Acts and five Regulations to enable digital interactions with Government where they are not currently permitted or clear. The amendments targeted four key areas: providing for the electronic service of documents; removing certain requirements for statutory declarations; providing for online publication of notices and updating outdated paper-based provisions. The Bill was passed by Parliament in June 2017.

## Making accessing information through GIPA easier for the public

In 2016-17, an online application form for GIPA applications was developed, replacing the older method of printing a form to apply for Government information. DFSI now also accepts electronic funds transfer so that applicants can lodge their request for Government information entirely online.

DFSI also launched a new easy-to-use platform for its Disclosure Log, used to publish GIPA decisions that may be of interest to members of the public. The Disclosure Log can be found on <https://data.nsw.gov.au> and [www.opengov.nsw.gov.au](http://www.opengov.nsw.gov.au).

## Cabinet process

CPO worked with business units to draft Cabinet and Expenditure Review Committee (ERC) submissions that will bring significant whole-of-government policy change. These include PAG's implementation of Property Asset Utilisation Taskforce's recommendations, Service NSW's Strategic Roadmap ERC submission and the Cabinet submission proposing its establishment as a statutory body, IDG's ERC submission to consolidate NSW's telecommunication networks, and BRD's Cabinet submission proposing focused reforms to NSW's workers compensation system.

## Land and Property Information (LPI) transaction and separation

The NSW Government awarded the 35-year Titling and Registry Services (TRS) concession to Australian Registry Investments (ARI) for \$2.6 billion, which will be invested into new infrastructure across NSW. The Government entered into a binding agreement with ARI to operate LPI following a competitive tender process. The State will continue to own all data and the operator will be required to store data on-shore. The Office of the Registrar General has been established as a regulatory body to manage the concession and will enforce ARI's performance, with the power to monitor and audit, and even resume control of the operations if required.

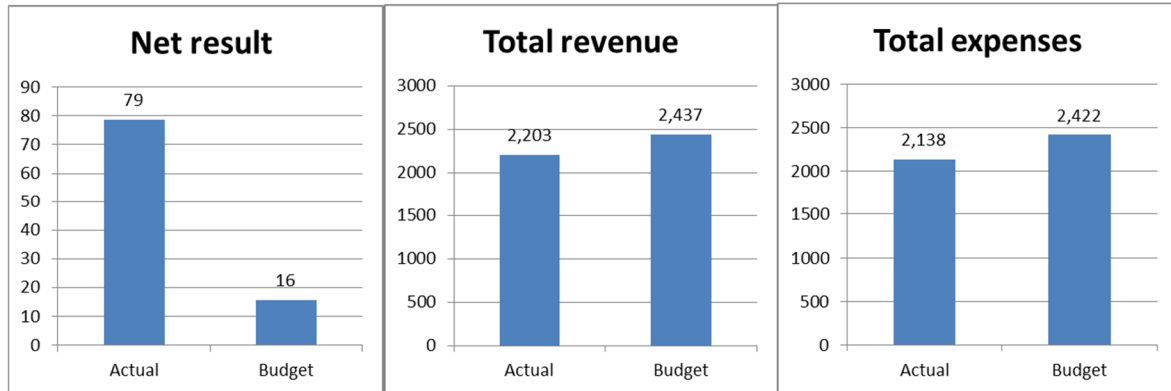
## 2.9 Financial highlights

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### Net result

DFSI's net surplus for 2016-17 was \$78.6 million, exceeding the budgeted net surplus of \$15.8 million by \$62.9 million. The positive variance to budget was due to significantly lower expenditure than budgeted, as payments under the Jobs Action Plan were lower than forecast.

DFSI's operating expenditure (excluding gains or losses on disposal and 'other' gains/losses) was \$304.4 million lower than budgeted. This fully offset a shortfall in revenue of \$234.6 million.

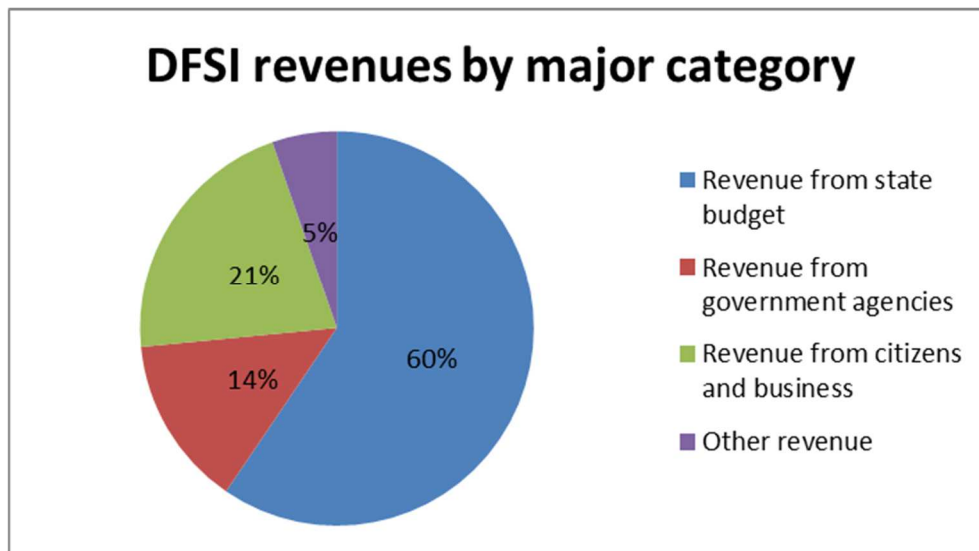


Expenditure was lower than budgeted by \$304.4 million primarily due to the following:

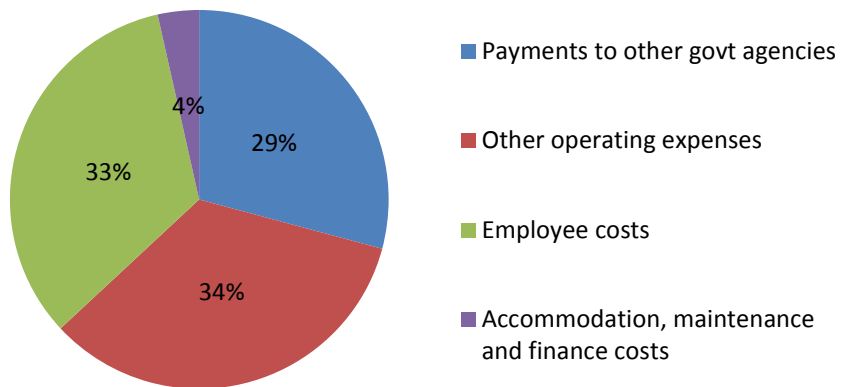
- payment of grants and subsidies (which includes payments of government funding to other entities in the cluster) were lower than budgeted as grants under the Jobs Action Plan were lower than forecast
- reduced employee expenditure
- lower book value of motor vehicles sold.

Revenues were lower than budgeted by \$234.6 million, primarily due to:

- lower draw-down of appropriations, due to Job Action Plan rebates being lower than forecast
- a decline in revenue from the sale of goods and services, from motor vehicle leasing and project and asset management services
- a decrease in retained taxes, fees and fines.



### DFSI expenses by major category



## 3. Corporate performance

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### 3.1 Strategic priorities

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The NSW Government sets its key priorities for the State via the 12 Premier's Priorities and 18 State Priorities. DFSI is accountable for three of these priorities. DFSI has lead accountability for Premier's Priority 12 'Improving government services'. In addition, DFSI has lead accountability for two State Priorities:

- making NSW the easiest state in which to start a business
- 70 per cent of government transactions conducted by digital channels by 2019.

DFSI has in place a number of programs and projects to support the delivery of these key priorities and is either on target or ahead of target in relation to the deliverables associated with them.

DFSI also plays a role in the delivery of programs and projects that support other Premier's and State Priorities for which it is not the lead agency. These include:

- driving public sector diversity
- encouraging business investment
- protecting our credit rating
- delivering strong budgets
- increasing cultural participation.

The DFSI Strategic Plan 2016-19 contains the Ministerial priorities and aligns to the State's whole-of-government strategic plan – NSW Making It Happen. It drives the organisational outcomes and is revisited annually. The Strategic Plan is based around five organisational outcomes:

- Services – simplified, efficient services to improve customer satisfaction
- Innovation – an innovative NSW Government is digital, lean and connected
- Regulation – NSW is a competitive, fair and secure marketplace
- Finances – strong State finances are supported by effective property, asset and revenue management
- People – DFSI is a great place to work.

The Strategic Plan 2016-19 can be found at <https://www.finance.nsw.gov.au/about-us/dfsi-strategic-plan>.

## 3.2 Strategic planning and performance framework

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The DFSI strategic planning and performance framework is a suite of key corporate and divisional plans, reporting mechanisms and performance management tools that outline and enable the delivery of short, medium and long-term objectives and strategies to support the delivery of NSW Government and corporate priorities. The planning and performance framework improved accountability and transparency, and supported an achievement-focused organisation. It included:

- NSW: Making It Happen priorities and other whole-of-government strategies and plans
- DFSI Strategic Plan 2016-19
- Total Asset Management (TAM) plan
- strategic corporate functional plans to manage corporate services delivery
- annual operational plans that detailed each division's (or business unit's) goals, objectives and accountabilities, aligned to the Strategic Plan
- individual work plans and performance development plans.

DFSI monitored and reported on performance through:

- regular external reporting to NSW Government agencies and the public on governance, financial, services and project delivery as well as other measures
- monthly reporting on the DFSI Delivery Plan delivery to the DFSI Executive
- reporting to specific governance bodies, such as the quarterly Audit and Risk Committee
- quarterly performance reviews that covered divisional strategic, project and operational performance
- monitoring of senior executives' performance agreements
- individual performance goals and achievement through the myCareer and myPerformance platforms.

DFSI has procedures in place to monitor the outcomes of internal and external performance reviews, reports and inquiries. These include monitoring and reporting on:

- internal and external audit recommendations, including Audit Office Management Letter recommendations and performance audits
- other recommendations made to DFSI from external bodies, including ICAC, the Coroner, and reviews by external consultants.

### 3.3 Performance review

An overview of the progress against DFSI's Strategic Plan Key Performance Indicators is provided in the table below.

DFSI Outcome	Key Performance Indicator	Unit	Target	Actual				Target	
				2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Providing efficient and connected services to citizens, business and government	<sup>1</sup> Improve customer satisfaction with key government services, every year.	NSW Government Customer Satisfaction Index (Consumers)	78.4	~	76.7	78.7	79.3	78.4	79
		(2017/18)							
	<sup>2</sup> Increase the number of NSW Government services delivered through SNSW channels	NSW Government Customer Satisfaction Index (Businesses)	80.3	~	76.6	78.4	78.3	80.3	81.5
		(2017/18)							
Innovating and transforming the way government operates	<sup>2</sup> Increase the number of NSW Government services delivered through SNSW channels	% of agencies SNSW provide direct services for	90%	48%	63%	78.30%	92.90%	90%	
		(2017/18)							
	70% of government transactions to be conducted via digital channels by 2019.	% of government transactions conducted via digital channels	70% by 2019	32%	37%	43%	57%	63%	70%
	Increase the proportion of NSW Government ICT infrastructure consolidated within GovDC.	kW of capacity signed up by tenants in GovDC	Upward trend	1280 kW	1892 kW	2650 kW	3305 kW	4005 kW	4450 kW
Delivering modern, balanced regulatory services	<sup>3</sup> Decreased regulatory costs for businesses and the community, as per the NSW Red Tape Reduction program.	\$ (Red Tape Reduction program savings)		\$259.2M	\$326.4M	\$164.3M	N/A	N/A	N/A
	Reduce notifiable fatalities and serious injuries	<sup>4</sup> No. (Fatalities)	60	65	58	57	68	66	65
		(2020-22)							
		<sup>5</sup> Claims per 1,000 employees (Serious injuries)	9.45	10.8	10.2	~	11.48	11.07	10.67
		(2021-22)							

DFSI Outcome	Key Performance Indicator	Unit	Target	Actual				Target	
				2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	<sup>6</sup> Increased proportion of people within relevant schemes who are supported to return to employment or study.	%	Upward trend	78%		82%			
	<sup>7</sup> Improve affordability of CTP premiums and share of premiums paid to injured road users, over time and compared to other states.	% (of Average Weekly Earnings)	35%	36%	35%	37%	39%	35%	35%
Strengthening public sector finances and the wider NSW economy	Increased proportion of all state revenues owing that are collected	%	80%						
			(2017/18)			95.30%	92.70%		
	<sup>8</sup> Increased savings returned to government through targeted procurement reforms.	\$				\$40.3m	\$115.8m		
	Value of government property recycled	\$	\$300M (2017/18)		\$347M	\$432M	\$507M	\$300M	\$300M
We are a great place to work.	<sup>9</sup> Improved DFSI staff engagement.	%	Upward trend	64.70%	~	61.70%	63%		
	<sup>10</sup> Exceed government employment targets for women in senior positions	%	50% by 2025	31.80%	32.80%	35.80%	40.00%	41.30%	42.60%
	Aboriginal and Torres Strait Islanders	%	2.60%	1.60%	1.50%	2.50%	4.10%		
	People with a disability	%	1.50%	1.90%	1.70%	1.60%	1.70%		

#### Notes

- 1 Derived from the NSW Customer Satisfaction Index 2016 for Consumers and Businesses.
- 2 Based on % of agencies SNSW provide direct services for.
- 3 The NSW Red Tape Reduction program managed by the Department of Premier and Cabinet was finalised in 2015/16. The NSW Audit Office conducted a performance audit of red tape reduction initiatives undertaken between 2011-15. In response, the NSW Government commissioned an independent expert panel to undertake a comprehensive review of the NSW regulatory policy framework (the Greiner Review). The panel is expected to deliver its final report by 25 August 2017, which Cabinet will consider.
- 4 Data provided by Safe Work Australia on 24 November 2016; the data are preliminary only and could change when data quality checks are applied in the future.
- 5 Data provided by Safe Work Australia on 24 November 2016, from the 18th edition (revised) of the Comparative Performance Monitoring Report.
- 6 Taken from Safe Work Australia current Return To Work rate. Data captured on a bi-annual basis.
- 7 CTP Premiums (all passenger vehicles) as a % of average weekly earnings.



- 8 Taken from YTD Savings (Jun 2016) for the Procurement Benefits Program; data for previous financial years were not available as agencies were responsible for achieving their own procurement savings target.
- 9 Taken from the Public Service Commission's People Matter Employee Survey.
- 10 Data prior to 2015/16 has not been adjusted to take into account changes in departmental structure nor machinery of government.

## 4. Corporate governance

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### 4.1 Governance principles and framework

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DFSI had a collaborative governance model that provided broad corporate oversight across the cluster covering corporate finance, corporate planning and performance, governance and risk, internal audit and a network of project and program management offices.

DFSI had in place the following governance principles:

- clear roles and responsibilities
- transparent and accountable decision making
- effective, efficient and ethical decision making
- respect for legal and regulatory requirements and high probity standards.

The primary governance body for DFSI was the Executive Committee, which met regularly during 2016-17.

The following units provided additional oversight of corporate governance functions:

- Central Policy Office
- Legal and Audit
- Risk
- Corporate Finance.

Other key governance support initiatives included:

- DFSI Risk Network
- DFSI Business Continuity Management Network.

#### Audit and compliance

##### **DFSI Audit and Risk Committee**

During 2016-17, DFSI had an Audit and Risk Committee (ARC) in place, compliant with *Treasury Circular TPP 15-03 – Internal Audit and Risk Management Policy for the NSW Public Sector*. DFSI's Internal Audit and Risk Management Attestation Statement is provided at Appendix 6.18 Risk management, attestation and insurance activities.

The objective of the ARC is to provide independent assistance to all participating entities by monitoring, reviewing and providing advice about their governance processes, risk management and control frameworks, and their external accountability requirements.

The ARC also has a specific role to provide assurance to the Secretary, DFSI, in the Secretary's capacity as head of the cluster.

##### **Internal audit**

DFSI Internal Audit (IA) provides independent and objective assurance and consulting advice to management to improve the effectiveness of risk management, control and governance processes. The Chief Audit Executive reports to the DFSI ARC and Secretary quarterly on the risk-based IA work plan, and progress towards completion of the plan as well as implementation of audit issues and recommendations.

During the year, IA undertook audits across the whole department covering a wide range of front-line services and back office support functions.

Additionally, IA undertook investigations into complaints and public interest disclosures about alleged misconduct and provided advice to management on corruption prevention, risk and internal control improvements.

IA reviewed and implemented the following policies and frameworks:

- Conflict of Interest Policy
- Fraud and Corruption Control Framework
- Fraud and Corruption Control Policy and Fraud and Corruption Control Plan
- Fraud and Corruption Internal Reporting Policy.

IA is accredited by the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing and meets the requirements of *Treasury Circular TPP 15-03 – Internal Audit and Risk Management Policy for the NSW Public Sector*.

### **External audit**

The Audit Office of NSW has audited DFSI's consolidated financial statements as at 30 June 2017 and issued an unqualified audit opinion and Statutory Audit Report on 26 September 2017. The audit report highlighted the following significant governance matter.

Last year the shared service provider, GovConnect, received qualified assurance opinions on the design and operating effectiveness of controls for both the DFSI and SAPConnect systems for the period from 14 December 2015 to 30 June 2016. This encompassed payroll services, where an adverse opinion was received, information technology, general ledger, accounts receivable, fixed assets and accounts payable.

DFSI has worked with GovConnect during the year to improve the internal control environment. This resulted in the adverse opinion on payroll being removed and unqualified opinions being received on several of the business process activities.

The service auditor's reports for 2016-17 issued unqualified opinions on:

- information technology provided by Unisys
- accounts receivable
- fixed assets.

The service auditor's reports for 2016-17 issued qualified opinions on the design and effectiveness of controls over:

- accounts payable, payroll and general ledger (the qualifications were due to a lack of segregation of duties arising from staff with inappropriate access)
- information technology by Infosys (the controls for granting access to powerful profiles were not adequately designed).

The service auditor noted that these issues were fully remediated from 30 April 2017 onwards.

DFSI has acknowledged the audit's assessment and has identified additional effective internal controls to mitigate the noted deficiencies; therefore, they are not considered to have a material impact on the financial information for the year ended 30 June 2017. The shared service provider has resolved all identified control weaknesses and thereby strengthened the internal control environment.

DFSI will continue to monitor the shared service provider's remedial actions so as to achieve a complete unmodified opinion in 2017-18.

The 2016-17 Audit Report to Parliament is expected to be tabled in November 2017.

## 4.2 Accessing DFSI information

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

The GIPA Act requires NSW Government agencies to make mandatory disclosures of information, encourages proactive releases of information and provides mechanisms for individuals to apply to access government information. More information on how to access departmental information is available at: [www.finance.nsw.gov.au/accessing-ofs-information/how-can-i-access-ofs-information](http://www.finance.nsw.gov.au/accessing-ofs-information/how-can-i-access-ofs-information).

Statistical information relating to formal applications under the GIPA Act is provided in Appendix 6.11 Government Information (Public Access) statistics.

#### **Review of proactive release program**

Under section 7(3) of the GIPA Act, agencies must review their proactive release of government information program at least once every 12 months. As a result of ongoing review, DFSI proactively released information about programs and initiatives, updated answers to frequently asked questions based on community feedback, listed policy documents for public access and provided statistical information about business operations.

DFSI reviewed the way the Disclosure Log, a mandatory requirement under the GIPA Act, was maintained. As a result, this has been significantly updated and now uses the Data NSW platform to publish all information released under the GIPA Act which is considered to be of interest to other members of the community. This new platform makes the information more accessible and more easily found through online searches. It also allows statistical information to be updated on a regular basis.

Several divisions/business units maintain branded websites with targeted information for the people of NSW. Some of these are SafeWork NSW, NSW Fair Trading, Revenue NSW, Property NSW, SIRA, SARA, and the Telco Authority, among others. DFSI's divisions routinely use these branded websites to release information free of charge when it is considered to be in the public interest, such as codes, guides, policies, procedures, reports and statistical information. Other documents can be accessed by contacting the relevant area via the contact details on the website.

Fair Trading and SafeWork use social media outlets including Facebook and Twitter to release information about new publications, codes and campaigns.

DFSI will continue to review new records, policies, statistical information and other documents to determine what can be made publicly available.

### *Privacy and Personal Information Protection Act 1998 (PPIP Act)*

The PPIP Act contains 12 information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. These 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 PPIP Act. DFSI issued a new privacy management plan on 29 June 2017. The plan outlines types of information likely to be collected, how DFSI may use or disclose that information and how an individual can access information concerning them. The plan can be found at [www.finance.nsw.gov.au/sites/default/files/dfsi\\_pmp.pdf](http://www.finance.nsw.gov.au/sites/default/files/dfsi_pmp.pdf).

With the separation of the former WorkCover into SafeWork, SIRA and icare (now part of NSW Treasury) in September 2015, a full review of privacy practices was undertaken and a new privacy management plan was developed for SafeWork (<http://www.safework.nsw.gov.au/about-us/privacy/2016-privacy-documents/safework-privacy-management-plan>) and SIRA (<https://www.sira.nsw.gov.au/privacy/sira-privacy-docs/sira-privacy-management-plan>). The plans are

also supported by a Privacy Statement which provides a snapshot of privacy management practices. More about the SIRA plan can be found in the SIRA annual report.

The DFSI, SafeWork and SIRA plans are designed to let the public know how personal and health information is handled. They are also used to train staff and inform policies and procedures regarding the handling of personal and health information.

Additional information about how the department manages its obligations under the PPIP Act is available at [www.finance.nsw.gov.au/about-us/privacy](http://www.finance.nsw.gov.au/about-us/privacy).

### **Applications made under the *Privacy and Personal Information Protection Act 1998***

#### ***Access request applications under section 14 of the PPIP Act***

In 2016-17, DFSI received two formal access applications by individuals requesting their personal information under the PPIP Act. DFSI also dealt with informal requests by individuals requesting their personal information.

#### ***Applications for internal review of the conduct of DFSI under section 53(1) of the PPIP Act***

In 2016-17, DFSI received 21 applications for internal reviews under the PPIP Act.

#### ***Information in other annual reports***

Both SARA and SIRA publish their own annual reports. Information about how those divisions of DFSI handle privacy, as well as statistical information about matters under the PPIP Act, can be found in the annual reports from those entities.

## 5. DFSI related entities' reports

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### 5.1 Registrar General's report

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#### 35-year concession and separation of Land and Property Information

On 1 July 2016, Land and Property Information (LPI) was split into four sections in preparation for the grant of a 35-year concession of the Titling and Registry Services (TRS) business:

- TRS – temporarily retained the name LPI
- Office of the Registrar General (ORG)
- Valuation Services
- Spatial Services.

The transaction for the concession of the TRS business was led by Treasury with technical support from ORG. Following a competitive bidding process, in April 2017 the State awarded the bid to Australian Registry Investments (ARI), which commenced operations on 1 July 2017.

#### Office of the Registrar General – the regulator

One of ORG's key functions is to oversee performance of the concession, and to ensure the ongoing integrity of the land titles system in NSW. ORG's new regulatory controls include comprehensive audit powers, real-time visibility of the register, legally-enforceable performance indicators with penalties attached, and new powers to review decisions on customer complaints.

Other safeguards include price increases for core services being capped at CPI and ensuring that the data stays in Australia. The new operator ARI must also comply with Commonwealth and State privacy laws and the State will continue to guarantee title.

#### Titling and Registry Services business during 2016-17

The property market in NSW continued to experience high levels of activity in 2016-17. A total of 786,507 dealings were lodged for registration – a 7 per cent decrease from 2015-16. Discharge of mortgage continued to dominate the major types of dealings with 291,489 lodgements made.

Deposited plan lodgements decreased by 5.4 per cent and strata plan lodgements increased by 1.4 per cent. 66,693 new lots were created; 35,870 from deposited plans and 30,823 from strata plans. Strata plans comprised only 15 per cent of the total plans lodged but created 46 per cent of the new titles.

#### National electronic conveyancing reform – Council of Australian Governments initiative

NSW was one of the leading states to introduce eConveyancing in 2013 due to the significant benefits it brings to consumers and business. It is a more efficient and secure way of registering the transaction of documents, with quicker transmission of settlement funds through a protected RBA system, fewer cases of fraud and errors, and no need to physically attend settlements.

In February 2017, the Government announced timeframes for moving to paperless conveyancing by July 2019. The timetable is based on advice from a consultative committee, made up of the Australian Bankers Association, NSW Law Society, Australian Institute of Conveyancers (AIC NSW), Mortgage and Finance Association of Australia, Customer Owner Banking Association, Australian Finance Conference and Property Exchange Australia. The timeframes have provided confidence for conveyancers, solicitors and financial institutions to shift to the electronic platform.

The reform made significant progress in 2016-17 with e-lodgements making up around 16 per cent of all dealings by the end of the financial year. Subscriber numbers are continuously increasing. Currently around one third of conveyancers and lawyers in NSW are subscribers.

### Further progress on the reform

NSW introduced Priority Notices in November 2016, which gives priority to registration of documents specified in the Priority Notice. It will assist in fraud prevention as details of a pending transaction will appear on a search of the Register, and only the documents specified in the Priority Notice will be given priority for registration.

On 1 March 2017, authorised-deposit taking institutions (ADIs) (banks, credit unions and building societies) began lodging stand-alone retail mortgages, discharges of mortgages and residential mortgages electronically, and received electronic certificate of titles (eCT) when lodging an electronic transaction.

ORG also worked with the industry and successfully implemented an electronic version of the National Mortgage Form.

### Torrens Assurance Fund claims

The Torrens Assurance Fund (TAF) is a statutory compensation scheme designed to compensate people who, through no fault of their own, suffer loss or damage as a result of the operation of the *Real Property Act 1900*.

During 2016-17, 24 compensation claims were submitted to the Registrar General. The Registrar General was successful in several litigation matters involving claims for TAF compensation and was awarded costs.

As at 30 June 2017, there were 16 current claims against TAF totalling approximately \$13 million. This contingent liability is an estimate based on the scenario of all fraud claims being paid. Actual payments are generally much lower.

The Torrens Assurance Fund has paid out a total of \$166,640 for the financial year 2016-17.

### Strata reform

On 30 November 2016, the *Strata Schemes Development Act 2015* and *Strata Schemes Management Act 2015* commenced. The new laws made around 90 reforms to the existing strata legislation, much of which was over 50 years old. These laws impact around 30 per cent of people living and working in strata schemes in Sydney.

The *Strata Schemes Development Act 2015* provides the basis for the registration, variation, termination and renewal of strata schemes in NSW. The reform introduced a mechanism for termination of a strata scheme with the approval of at least 75 per cent of owners. It is designed to provide a fair and transparent process through several stages, with a number of significant safeguards to ensure the interests of owners are protected, particularly those who do not wish to sell. The strata renewal regime recognises the need for urban renewal and allows for the future growth of Sydney and surrounding areas.

ORG assisted in the drafting of the Strata Schemes Development Regulation, which gives administrative support to the *Strata Schemes Development Act 2015* that was developed following extensive consultation with industry, stakeholders and the community.

To implement the changes introduced by the new laws, ORG published strata renewal information sheets and approved forms, and worked closely with LPI to develop strata plan and dealing forms as well as updating the Registrar General's Guidelines. A communication strategy was undertaken jointly with NSW Fair Trading and ORG presented to industry groups on the new laws. ORG also assisted solicitors, surveyors, developers and members of the community with enquiries on strata issues, particularly in relation to strata renewal.

In 2016-17 ORG also contributed to updating the *Real Property Act 1900* and the remake of the Conveyancing (Sale of Land) Regulation and Surveying and Spatial Information Regulation.

### Boundary determinations and survey audits

ORG's cadastral integrity surveyors investigated, determined and resolved boundary disputes between land owners on behalf of the Registrar General in accordance with Part 14A of the *Real Property Act 1900*. Thirteen boundary determinations were lodged with the Registrar General in 2016-17 – ten in Sydney metropolitan area and three in regional NSW.

ORG continued to conduct survey audits to ensure surveyors complied with relevant legislative instruments when submitting plans to LPI for examination, registration and creation of new titles to land. The surveys aimed to improve the quality and consistency of deposited plans lodged for registration.

In 2016-17, the ORG carried out 80 audits across NSW, 55 of which were in the Sydney metropolitan area and 25 in regional NSW. All audits carried out by the ORG are on registered plans.

### Digital plan processing system

LPI continued to promote services to facilitate digital plan lodgements in XML format, which offers a streamlined and more efficient plan processing system for developers, surveyors and their clients. The benefits to industry include self-validation of plans and improved registration times. The ePlan team assisted surveyors to implement digital plan data in Land XML format into their systems and processes. As of 30 June 2017, 258 surveyors or their representatives, using six different survey software programs, have completed LPI training courses to learn how to create digital Land XML files. Surveyor numbers submitting plans in Land XML format rose from 57 to 115 in this financial year.

## 5.2 Board of Surveying and Spatial Information's report

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Constituted under the *Surveying and Spatial Information Act 2002*, the Board of Surveying and Spatial Information (BOSSI) is the statutory body responsible for:

- providing registration of land and mining surveyors
- investigation of complaints against registered surveyors
- taking of disciplinary action against registered surveyors
- developing standards in surveying and spatial information
- providing advice to Government on surveying and spatial information.

### Key achievements

During the past year, BOSSI continued to actively work towards its strategic goals and provide leadership and guidance to the surveying and spatial information professions.

Highlights for the past year include:

- undertaking a review of the Board's operation, purpose, and enabling legislation and consideration of potential options for the future administration of the Board and its activities
- assisting with the review and redrafting of the Surveying and Spatial Information Regulation for when the current Regulation is repealed under the *Subordinate Legislation Act 1989* on 1 September 2017
- handling a substantial increase of complaints received during 2016-17 particularly against unregistered persons undertaking land surveys while not registered or being supervised by a



registered surveyor – the Board successfully brought five convictions against unregistered persons during 2016-17 through the Local Court

- development of policies for the appointment and role of Advisors, Committee Members and Assessors on the Board
- development of new initiatives and procedures for registered surveyors to renew their annual registration on time and enable digital payments
- reviewing the Board's continuing professional development and supervision to meet current profession and public expectations
- development of a new Guideline for Supervising Surveyors to assist in training candidate surveyors towards gaining registration.

## **Mission**

The Board's leadership role is to ensure that confidence is maintained in the integrity and provision of focused and sustainable survey and spatial information services for the benefit of the community and the economy of NSW.

## **Aims and objectives**

The Board strives for excellence and quality, and accepts that the community is entitled to expect reliable and professional service at reasonable cost. The Board's philosophy is to ensure that public confidence is maintained in the provision of survey and spatial information services. Its aims and objectives are in three key areas: qualifications, education and spatial information.

### **Qualifications**

- maintain the register of registered land and mining surveyors
- grant registration to surveyors under the provisions of the *Surveying and Spatial Information Act 2002*
- establish minimum competency standards
- maintain credibility of the register by ensuring surveyors with overseas and interstate academic qualifications meet the standards required under the *Surveying and Spatial Information Act 2002*.

### **Education**

- work with education and professional institutions to develop education and training programs to ensure quality standards in education and professional development are maintained
- encourage spatial information practitioners and registered surveyors to undertake appropriate education and relevant continuing professional development to maintain and improve competency
- assist surveyors to gain qualifications by determining, recording and accepting accrued practical experience.

### **Spatial information**

- identify key spatial sector stakeholders and develop communication and promotion strategies as well as benefits for the Board, the public and private sectors
- advise the Minister on matters relating to spatial information
- develop policies, assess and recommend quality standards for collection, collation, management and dissemination of all identified types of spatial information relevant to the NSW Spatial Data Infrastructure.

## Report on operations

### Registrations

The register of surveyors contains the names of 1,030 registered surveyors who are considered competent by the Board to perform land and mining surveys in NSW. The total number of registrations included 32 new registrations either by competency or mutual recognition.

During 2016-17, the Board issued 28 letters of accreditation to interstate boards. These reciprocal arrangements between BOSSI and other jurisdictions are in accordance with National Competition Policy (NCP) Principles and the *Trans-Tasman Mutual Recognition (NSW) Act 1996*.

### Qualifications

For surveyors to be registered in NSW, they are required to be a holder of a recognised qualification.

The Board recognises various three and four-year degrees from universities throughout Australia and New Zealand which can be found on the Board's website. The Board provides a process for independent assessment to determine equivalency for unrecognised interstate or overseas qualifications.

During the 2016-17 financial year, BOSSI reviewed 28 overseas academic qualifications. No requests for the assessment of interstate qualification were received during 2016-17.

### Examination

BOSSI met for a total of 14 working days during September-October 2016 and February-March 2017 for the purpose of assessing the professional competence of candidate surveyors through examinations. BOSSI had no candidate surveyors undertaking Professional Training Agreements in this reporting period. A total of 23 applicants were issued with certificates of competency.

### Candidate training

To assist candidate surveyors attempting assessment, BOSSI conducts an annual candidate training workshop at Kurri Kurri TAFE. This year, 38 land and four mining candidate surveyors attended. In addition, eight land supervising surveyors and one mining supervising surveyor attended with their candidates.

Board members, industry representatives and candidate surveyors attending the workshop were able to discuss matters relating to the assessment process for both land and mining surveyors.

The workshop consisted of several presentations and examples of urban, rural and strata boundary definition, town planning and engineering design projects.

The Institution of Surveyors NSW (ISNSW) has conducted training workshops in land boundary surveys for candidate surveyors, the Association of Consulting Surveyors (ACS) has conducted training workshops in engineering and town planning, and the Australian Institute of Mine Surveyors (AIMS) has conducted training workshops in mining surveying for candidate surveyors in an endeavour to prepare them for the BOSSI assessments.

The involvement of industry associations is in accordance with BOSSI's strategy of involvement and co-operation of the profession.

### Awards granted

BOSSI awards a number of prizes each year. These include BOSSI Medals for the most successful students in the final year of tertiary study and eight prizes to recipients of certificates of competency. BOSSI also provides sponsorship of the Surveyor General Scholarship for women in surveying to encourage women to undertake the surveying degree at the University of Newcastle and University of NSW.

The following awards and scholarships were granted during 2016-17.

**The Board of Surveying and Spatial Information Medals**

- Matthew Richardson from the University of Newcastle
- Belinda Serafin from the University of New South Wales.

**Surveyor General Scholarship for women in surveying**

- Grace Jones who is undertaking the Bachelor of Engineering (Surveying) degree at the University of Newcastle.

**Anna Allen Prize**

- Robert Davidson for the best result in the strata and community titles assessments.

**Barr Prize**

- Lee Davidson and Stuart Hildebrand for the best result in the rural cadastral surveying assessments.

**Clarence Smith Jeffries Mining Award**

- No prize was awarded for the best result in the mining surveying assessments.

**Harvey Prize**

- Christopher Arnison for the best result in the town planning assessments.

**Augustus Alt Prize**

- Matthew Cooper for the best result in the engineering assessments.

**Neil Ryan Memorial Award**

- Ruiyuan Li for the best result in the urban cadastral surveying assessments.

**Staff Surveyors Association Award**

- Ryan Jeffrey for the most innovative, technically difficult or diverse project presented at the Board's assessments.

**Surveyor General's Prize**

- Matthew Cooper for the best overall candidate surveyor

## Surveyor registrations

Performance indicator	2012-13	2013-14	2014-15	2015-16	2016-17
Registered surveyors in NSW	1,066	1,060	1,042	1,039	1,030
<b>New registrations</b>					
By way of certificate of competency	31	19	17	23	23
By way of letter of accreditation from reciprocating boards	8	7	12	17	9
<b>Removal of name from register</b>					
Non-payment of annual roll fees	50	54	39	42	58
At own request	21	30	26	26	34
Deceased	0	1	3	4	2
<b>Restoration of name to register</b>	40	48	34	27	52
<b>Letter of accreditation issued to reciprocating boards</b>	28	22	13	17	28
<b>Candidate enrolments</b>	48	46	59	75	56
<b>Total financial candidates</b>	158	165	197	232	228
<b>Assessment of overseas qualifications</b>	15	25	25	32	28
<b>Assessment of interstate qualifications</b>	0	0	3	1	0
<b>Meritorious certificates awarded</b>	14	23	20	19	22

## Stakeholder engagement

During the reporting year, meetings were held with representative members from NSW professional associations including land and mining surveyors and various spatial information disciplines, to maintain continuing interactions between BOSSI and these professions.

BOSSI continued to explore additional pathways to registration involving assistance from Institute of Surveyors NSW (ISNSW), the Association of Consulting Surveyors (ACS) and the Australian Institute of Mine Surveyors (AIMS). These agencies have instituted training programs to assist candidate surveyors achieve registration.

Members of the Board and the Registrar gave presentations at various industry forums and continuous professional development events during the reporting year. This involvement of the Board with the profession gave registered land and mining surveyors an opportunity to discuss relevant issues directly with Board representatives.

## Continuing professional development

Compliance with BOSSI's continuing professional development (CPD) requirements is mandatory for surveyors renewing their registration. BOSSI has ratified the following five organisations for CPD purposes which include the conduct and assessment of CPD activities and issue of CPD compliance certificates:

- Institution of Surveyors NSW Inc
- Association of Consulting Surveyors NSW
- Australian Institute of Mine Surveyors Limited NSW Division
- University of Newcastle

- Surveying and Spatial Sciences Institute.

BOSSI undertakes an audit of CPD compliance involving 20 per cent of surveyors renewing their annual registration in accordance with the policy. During 2016-17, 260 surveyors were audited. As a result of the audit one surveyor was deemed not to have complied with the policy and was removed from the register of surveyors.

## Governance

As set out in the *Surveying and Spatial Information Act 2002*, the board has the following functions:

- registration of surveyors
- investigation of surveyors' registration and licensing schemes in other states and territories, and the provision of advice to the Minister in connection with the recognition of the qualifications and experience of surveyors registered or licensed under such schemes
- investigation of complaints against registered surveyors
- taking disciplinary action against registered surveyors
- investigation of matters referred by the Minister for advice or report in relation to surveying or any other aspect of the spatial information industry
- investigation and provision of advice to the Minister with respect to the practice to be followed in the conduct of surveys or in the collection, collation and dissemination of any other kinds of spatial information
- the provision of advice to the Minister on the maintenance of the integrity of the state cadastre
- provision of advice to the Minister with respect to any other matter in connection with the administration of this Act.

The Board has other functions conferred or imposed on it by, or under, this or any other Act or law.

## Board members

Members are appointed to the board in accordance with the provisions set out in section 27 of the *Surveying and Spatial Information Act 2002*.

## Board members and attendance

Members	Board meetings
Ms Narelle Underwood, President, Surveyor General of New South Wales, BE (UNSW), Registered Surveyor Ex-officio position. Appointed October 2016	7
Mr Paul Harcombe, B Surv (UNSW), MGeom (Melb), FISNSW, FSSSI, Deputy Surveyor-General of New South Wales Nominee of Chief Executive, Land and Property Information. Appointed January 2003 position vacated July 2017	1
Mr Peter Baxter, B Surv (UNSW), MIS, Registered Surveyor Nominee of Institution of Surveyors NSW Inc. Appointed June 2016 term expires June 2018	7
Mr Robert Harrison OAM, B Surv (UNSW), FIS, Registered Surveyor, Nominee of Institution of Surveyors NSW Inc. Appointed February 2013 term expires June 2018	4
Mr Christopher Abbott, B Surv (UNSW), MIS, Registered Surveyor Nominee of Institution of Surveyors NSW Inc. Appointed July 2015 term expires July 2017	6
Mr Christopher Moy, Registered Surveyor Nominee of Australian Institute of Mine Surveyors Ltd. Appointed January 2011 term expires June 2018	4
Ms Liz Fulton, MGIS and Remote Sensing, GISP-AP Nominee of Surveying and Spatial Science Institute. Appointed June 2016 term expires June 2018	3
Ms Mary-Ellen Feeney, BSc (Hons) Applied Physical Geography (UNSW), PhD Geomatic Engineering (UMELB) Nominee of Spatial Information Business Association. Appointed June 2016 term expires June 2018	6
Mr Andrew Halmarick, BAppSc Surveying & Mapping, Grad Dip Urban Estate Management, MIS, Registered Surveyor Nominee of Association of Consulting Surveyors NSW Appointed June 2016 term expires June 2018	6
Ms Regina Haertsch, MALP (USyd), GCDisputeResol (UWS), BA (Hons) (USyd) Nominee of Minister for Fair Trading. Appointed July 2015 position vacated July 2017	1
Mr William Barraclough, Bachelor of Mining Engineering (Hons)(UOW) Nominee of the Minister for Industry, Resources and Energy. Appointed June 2016 term expires June 2018	3
Dr Craig Roberts, PhD (UNSW), B Surv (USA) Nominee of University of New South Wales Appointed July 2015 term expires July 2017.	7

Advisors and observers	Board meetings
Mr Michael Spiteri, Registrar	7
Ms Margaret Hole AM, Dip Law, Barristers Admission Board Legal Advisor to the Board	4
Mr David Job, B Surv (UNSW), MIS Principal Cadastral Surveyor, Office of the Registrar General Chief Examiner and Advisor to the Board	6
Mr Jeff Brown, B Surv (UNSW), Registered Surveyor Surveyor-General of the ACT – Observer	5

### Board meetings

The Board met formally on seven occasions during the year. At a meeting of the Board, a majority of the Board members constitutes a quorum. In the event of an equality of votes, the presiding member has a second, or casting vote.

### Board subcommittees

The Board has established subcommittees to complete key tasks at the direction of the Board. These include the Training Committee, Finance and Audit Committee, Spatial Information Committee, Professional Audit and Investigation Committee, Discipline Committee, and Land and Mining Committee.

### Administration

Section 28A of the *Surveying and Spatial Information Act 2002* makes provision for a registrar and other officers to enable the Board to exercise its functions. To carry out this function DFSI Spatial Services employs a secretariat which consists of four staff members. DFSI Spatial Services also provides further administrative and technical support to assist the Board in its day-to-day operations.

### Future focus

With the separation of Land and Property Information and the appointment of a new Surveyor General, the Board's main focus will be a review of its operations and strategic plan to maintain the high standards that the public expects of surveying and spatial information professionals and investigate more efficient methods for maintaining these high standards.

## 5.3 Geographical Names Board of NSW report

The Geographical Names Board (GNB) is the State's centralised body delivering authoritative place names. It operates under the *Geographical Names Act 1966*, and controls policy documents on addressing and geographical naming in NSW. GNB responsibilities include:

- assigning and determining place names, and maintaining the state gazetteer of place names
- determining address locality (suburb) boundaries
- evaluating road name proposals and maintaining the state gazetteer of road names
- compiling and maintaining a vocabulary of Indigenous words suitable for use in geographical names
- supporting the production, aggregation, publication and usage of standardised address data across NSW.

## The Geographic Names Board in a location economy

The name of a place is the most widely used reference for specifying a location. Geographical names connect information and people to a place, and are one of the pillars to supporting a 'digital' location economy.

Recognising that geographical names are the most widely used spatial identifier, 'Place names' is one of 10 themes within the NSW Foundation Spatial Data Framework. GNB is the custodian of this theme.

## The Board – a whole-of-government approach for consistent and appropriate naming

GNB functions with an independent board ensuring impartiality and providing a buffer for Government to deliver consistent place names. The Board includes a cross section of industry and community stakeholders related to geographical naming and addressing.

Consideration and determination of place names has important administrative and operational aspects such as avoidance of offensive terms and of duplicated place names that inhibit emergency despatch. Address is also the under-appreciated third component of Identity Management – Name, Address and Date of Birth. Reliable and accurate address information is fundamental to identity management in a digital economy and society. However, place names can also be highly emotive issues for the public and in some cases industry. The external Board members provide a breadth and depth of capability in this respect.

## Key achievements

GNB continued to build on setting policy foundations to support consistent place naming and the creation of unambiguous addresses in NSW. In 2016-17, GNB:

- revised and released an updated NSW Addressing User Manual to make the addressing process clearer for address producers and to better reflect legislative obligations
- published the NSW Place Naming Policy
- updated place name guidelines and procedures.

These policies and guidelines support the Board's activities in relation to the formalisation of authoritative address information. Specifically, this financial year GNB:

- attended addressing workshops and community town hall meetings around the state to support councils in creating authoritative addresses
- evaluated 1,563 road names through its online road naming system
- administered 60 locality boundary amendments
- assigned 75 place names
- supported the ANZAC Memorial Centenary Project.

## ANZAC

GNB has been instrumental in the ANZAC Memorial Centenary Project – part of the Hyde Park Memorial refurbishment commemorating the Centenary of ANZAC. A plaque will be created for every town, suburb and locality around NSW that enlistees for the First World War gave as their place of address. Displayed within each plaque will be a sample of soil collected from that place.

The soil represents the places where Australian men and women came from – until the 1960s, Australian service personnel killed in action remain buried in foreign lands where they died. GNB has been working closely with the Department of Veterans' Affairs to identify and map the nearly 1,700 enlistment points, finalise soil collection locations and coordinate the soil collections by the surveying industry.



## Report on operations

### Consultation

GNB acknowledges the role it plays in supporting councils and the community in determining place names and addresses as well as its role in facilitating elements of the development pipeline. GNB engages with key stakeholders – the public, councils and other naming authorities – to communicate processes and principles involved in place naming, and to assist in determining address localities and names. The earlier these principles are applied the better it is in terms of community acceptance and the speed of the naming process.

GNB participated in addressing workshops held by DFSI Spatial Services, including meetings at Cobar and Cooma with respective regional councils and naming authorities. As part of the Cooma workshop, GNB commenced work with relevant authorities to develop address localities within the Kosciuszko National Park. Better defining addresses in the National Park will support emergency services, the provisions of services and ensure properties in the park are ready for proposed address validation programs.

GNB also worked with councils and the public on addressing problems and attended a community session at Coonabarabran within Warrumbungle Shire Council.

GNB attended meetings with Urban Growth NSW on a major development in North Ryde. GNB also met with Place Management and Infrastructure NSW for the redevelopment of the former Entertainment Centre at Darling Harbour.

### Committees and working groups

Recognising council's role in naming, GNB Secretariat attends Local Government Address Working Group meetings, such as Land Property Information, Campbelltown and Gosford, which included an additional workshop on water-based addressing and discussions on how locality boundaries are defined for these addresses.

The GNB Secretary also chairs the NSW Addressing Committee to provide advice and manage issues that are raised by councils.

Place naming needs to adhere to national and international standards. To ensure naming policies and practices meet these standards, GNB Secretariat attended the annual meeting of the Permanent Committee on Place Names (PCPN). Highlights from the conference included:

- a call for a national approach to beach identification
- revision of national place naming guidelines
- discussion on the importance of community inclusion
- agreement to re-invigorate the national gazetteer of place names, with Geoscience Australia to develop a web portal
- jurisdictions working on improving position of place name features.

### Indigenous place naming

Names assigned to places convey their significance through a sense of history, identity and connection between people and place. The land is seamless with spirituality and identity for Indigenous people. Key manifestations of this connection are the names given to features on the land that relate to the ancestors, histories, law and lore of its people.

The GNB place name policy, published this year, is designed to encourage and promote recognition of Indigenous place names and foster more frequent and official use of these names, particularly for places that have not been assigned a geographical name. The policy also provides, where possible, for the reinstatement of Indigenous place names through the dual naming process.

This financial year GNB developed a framework to kick start the Indigenous Place Name Vocabulary project, which seeks to:

- encourage the use of Indigenous place names
- meet GNB's statutory obligation to maintain a vocabulary of Indigenous words suitable for place naming
- support impending legislation that aims to revive NSW's Indigenous languages
- deliver a practical means to support the Government's commitment to reconciliation.

This will be done by:

- compiling a database of Indigenous words, including meaning and origin, from each of the NSW Indigenous National Groups, suitable for use in geographic names
- developing a framework to recognise Indigenous place names and sites in NSW.

Work in this space will be further supported through the NSW Government revising the NSW Indigenous Language Policy as part of OCHRE – the NSW Government plan for Aboriginal Affairs. A key component is building a pathway of Indigenous language revival. GNB aims to utilise this momentum to reinvigorate its commitment and statutory obligation to maintain a vocabulary of Indigenous words used or suitable for use in geographical names.

### **NSW Online Road Naming System (NORNS)**

GNB is responsible for NORNS, an online application that supports the end to end management of the road naming process in NSW. Highlighting its success, NORNS and the NSW Addressing User Manual have contributed to increasing the number of road names gazetted as well as improving the quality of place name and address data in NSW. More road names have been gazetted in the last two years than in the previous 22 years. Since 1 June 2015 there have been 15,674 road names gazetted. From 1993 to 2015 approximately 14,703 road names were gazetted.

Although NORNS is an online system, most of the steps of the process require manual intervention. To maximise efficiencies and leverage the latest technology, GNB commenced developing a proof of concept to demonstrate the use of semantic processing techniques. The planned outcome will be to automate the road name evaluation process, improving productivity and reducing the potential for human error when assessing duplicate road names.

## Production figures

The following table gives a breakdown of the placenames that were formalised in the reporting year in comparison to previous years.

Designation	2012-13	2013-14	2014-15	2015-16	2016-17
Address locality (suburb) names and boundaries	19	24	11	92	64
Road names (evaluated)*	1,334	1,687	792	2,547	1,563
Dual names	0	0	2	8	0
Place names	261	133	202	55	75

\*The total of road names evaluated includes road names approved (and subsequently advertised and assigned) objected to and pre-approved. In 2016-17, 997 were approved; there were 105 objections and 461 were pre-approved.

A promising trend has been a substantial decrease in objections to road names from 161 in 2015-16 to 105 in 2016-17. This is a reduction of 35 per cent, which may be attributed to councils and road naming authorities following the road naming guidelines outlined in the NSW Addressing User Manual.

There was a reduction in locality boundary amendments completed this financial year, due to many boundaries being amended in 2015-16 to finalise the determination of address localities in Cessnock LGA. However, there were more boundary amendments this financial year compared to pre-2015. A major reason for this has been GNB's work with councils to resolve identified addressing issues and ambiguity.

This year also saw a reduction in place names recorded in the Geographical Names Register compared to 2012-2015 due to GNB Secretariat in previous years having capacity to conduct place naming audits with respective LGAs. This created a list of recorded names that could be captured in the register. Out of 75 new place names captured in the register this year only 16 (21 per cent) were recorded names. Although recorded names go to the Board, they are not required to be advertised for public submissions allowing a quicker end to end process.

## Governance

### Functions of the Board

Under 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 registry of Indigenous words used or suitable for use in geographical names and to record their meaning and 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 by adopting nomenclature policies and procedures which are nationally and internationally recognised.

### Board members and attendance

Members are appointed to the Board in accordance with the provisions set out in Section 3 of the *Geographical Names Act 1966*. The table below shows the current Board members and the number of meetings attended by each:

Members of the Board	Board meetings (5 meetings)
Mrs Narelle Underwood Surveyor General of NSW. Ex-officio position	4 (one as observer)
Ms Laura Christie Nominee of the Department of Finance, Services and Innovation	2
Mr Paul Harcombe (Acting Chair) Nominee of Deputy Secretary, Department of Finance, Services and Innovation. Ex-officio position. Retired July 2016	1
Mr David Job (Acting Chair) Acting Surveyor General of NSW	1
Mr Richard Neville Nominee of the State Librarian. Ex-officio position	5
Mr Marcus Ray Nominee of the Department of Planning. Ex-officio position. Term expires May 2020	4
Mr Terry Kass Nominee of the Royal Australian Historical Society. Term expired February 2017	3
Cr Julie Hegarty Nominee of the Local Government and Shires Association of NSW. Term expired February 2017	2
Dr Emma Ruth Power Nominee of the Geographical Society of NSW. Term expired February 2017	3
Mr Phil Duncan Nominee of NSW Aboriginal Land Council. Term expires June 2021	2
Mr Jonathon Captain-Webb Attended under 'Instrument in Writing' for NSW Aboriginal Land Council	1
Mr Felice Montrone Nominee of the Community Relations Commissioner. Term expires December 2020	5

## Counsellors and attendance

Section 6 of the *Geographical Names Act 1966* provides the Board with authority to appoint counsellors to advise on matters within its powers and functions. The table below provides details on these counsellors:

Counsellors <sup>1</sup>	Board meetings (5 meetings)
Dr Peter Orlovich, Historical Advisor	4
Dr Jakelin Troy, Linguistic Advisor	3
Ms Julie Christie, Australia Post Addressing Advisor	5
Mr Graham Chapman, NSW Fire & Rescue Advisor	5
Mr Stephen Albin, Urban Development Institute of Australia. Resigned November 2016	1
Mr Justin Drew, Urban Development Institute of Australia	0

## Board meetings

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

## Board committees

The Board has continued with the NSW Addressing Committee (in compliance with Section 5.1 of the NSW Addressing Policy). This committee comprises of expertise from across several domains in DFSI Spatial Services including addressing applications, topography, cadastral, data delivery and the Board's Secretariat. Other experts are called upon to deal with other specialist areas as required.

The Board also continues to support both Place Names Australia, a voluntary non-profit association that aims to prepare a national online database of all Australian place names, and the Permanent Committee on Place Names (PCPN) coordinates place-naming activities across Australia and New Zealand.

## Administration

Section 4 of the *Geographical Names Act 1966* makes provision for persons to be employed to enable the board to exercise its functions. To carry out this function, Spatial Services employs a secretariat which consists of four staff.

## Future focus

Future success of the GNB is centred on creating unambiguous locations, preserving the history, culture and identity of NSW, and connecting people and information to a place.

Key activities in 2017-18 will include:

- tying in activities and place name data to the Foundation Spatial Data Framework
- improving NSW address information and supporting transformation projects in the addressing space
- redeveloping NORNS to improve efficiencies and accuracy
- commencing the creation of an Indigenous place name register and supporting Indigenous place name revival
- promoting new policies and processes (e.g. locality proposal form and checklist) to support development pipeline
- facilitating day-to-day naming operations.

## 5.4 Surveyor General's report

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The Surveyor General of NSW is the Government's principal advisor on surveying and spatial information. The statutory functions cover surveying and positioning infrastructure, geographical naming, electoral boundaries and maintaining the integrity of the State's cadastre.

The Office of the Surveyor General is part of DFSI Spatial Services.

In 2016-17 staff within the Office of the Surveyor General:

- continued to rollout the Continuously Operating Reference Station Network (CORSnet-NSW). Thirteen new stations were built with a further seven upgraded to multi-constellation receivers, bringing the total number of stations to 194
- continued to contribute to the development and adjustment of the national datum projects for GDA2020 and AUSGeoid2020
- maintained 12 regional Electronic Distance Measuring baselines to enable surveyors to calibrate their surveying instruments and ensure compliance with legislation
- maintained National Association of Testing Authorities accreditation as a verifying authority under the provisions of the *National Measurements Act 1960*
- evaluated applications for survey mark removal under clause 88 of the SSI Regulation (section 24 SSI Act)
- evaluated applications for exemption from the provisions of the SSI Regulation
- evaluated applications for proposed development at Trigonometrical Station sites
- chaired the Preservation of Survey Infrastructure Collaborative Working Group with Roads and Maritime Services to maintain the integrity of the State Control Survey and the State Cadastre
- supported infrastructure projects including, Princes Highway upgrades, Western Sydney Infrastructure Plan, B-Line Northern Beaches, WestConnex, NorthConnex, Sydney CBD Light Rail, Newcastle CBD Light Rail, ATRC Inland Rail Network and Western Sydney Airport
- ensured the State's positioning operation programs produced data which is authoritative, accurate, current and complete. Supported the propagation, sourcing and improvement of the state survey control network
- completion of the survey control for the Surface Model Enhancement (SME) Project, including provision of survey control for the Spatial Services imagery program in the Western Division for the first time
- completion of the survey control for the Light Detection and Ranging (LiDAR) component for the SME project along the east coast of NSW
- supported operations for the upgrade and update of the Digital Cadastral DataBase
- successfully migrated locality sketch plans to Spatial Services repository that included a new workflow for processing lodgement of locality sketch plans
- transferred over 300,000 locality sketch plans to State Archives
- migrated CORSnet-NSW Queens Square IT infrastructure to GovDC
- upgraded CORSnet-NSW Bathurst IT infrastructure
- upgraded CORSnet-NSW Operational hardware in both data centres
- contributed to the Centenary of ANZAC soil collection program (over 100 towns).

Survey Control Information Management System (SCIMS):

- 2,581 marks were added to SCIMS
- coordinates for a further 2,845 marks were updated in SCIMS
- supply of survey mark hardware.

**Number and type of Survey Marks issued during 2016-17:**

SSM Type 1	SSM Type 2	SSM Type 15	PM Cover Box	PM Stainless Steel Pin	Brass Screws	Brass Number Plate	Cadastral Reference Mark	SSM Type 15 Pin Only
706	788	3,012	1,689	86	2,865	2,637	772	178

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 which supported students entering their final year of the surveying degree program at the University of Newcastle and the University of NSW
- chairing the NSW Surveying Taskforce, tasked with marketing the surveying and spatial information profession to the future generation of professionals. The Taskforce has seen a significant number of students commencing the university surveying degree programs and an increase in the number of candidate surveyors enrolled for registration as a result of their activities
- sponsorship of the NSW Excellence in Surveying and Spatial Information Awards, which recognises excellence in various categories including environment and sustainability, innovation and commercialisation, people and community, spatial enablement, technical excellence, export, cadastral surveying and land titling, and project management.

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

- presiding over the Board of Surveying and Spatial Information (BOSSI)
- reviewing the Surveying and Spatial Information Regulation 2012 through comprehensive consultation with the industry and drafting the new 2017 regulation
- releasing an updated version of Surveyor General's Directions No. 11 – Preservation of Survey Infrastructure
- representing NSW on the Intergovernmental Committee on Surveying and Mapping (ICSM)
- chairing the Surveying and Mapping Industry Council of NSW
- representing ICSM on the National Positioning Infrastructure Advisory Board
- representing NSW on the GDA Modernisation Implementation Working Group for the development and implementation of GDA2020
- surveying representative on UNSW School of Civil and Environmental Engineering Industry Advisory Committee
- representative on University of Newcastle Surveying Liaison and Program Advisory Committee
- chairing the GNB.

## 5.5 NSW Procurement Board report

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### Legislation

The *Public Works and Procurement Act 1912* (the Act) sets out the Government's procurement laws and establishes the NSW Procurement Board. The procurement laws allow agencies to manage and be responsible for their own procurement activities in accordance with accreditation for procurement granted by the Board.

The Act places obligations on agencies in relation to their 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.

### Objectives and functions

The Act gives the Board responsibility to oversee procurement across the NSW public sector.

The objectives of the Board, as specified in the Act 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 Act specifies a range of specific functions for the Board, including oversight of procurement of goods and services by, and for, government agencies, as well as developing procurement policies.

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

The Board is subject to the direction and control of the Minister for Finance, Services and Property.

### Members and deputies

As at 30 June 2017 the following NSW Government officers were members of the Procurement Board, representing all NSW Government clusters:

- Secretary, Department of Finance, Services and Innovation (Chairperson)
- Secretary, Department of Premier and Cabinet
- Secretary, The Treasury
- Secretary, Department of Justice
- Secretary, Department of Education
- Secretary, Department of Family and Community Services
- Secretary, Ministry of Health
- Secretary, Department of Industry
- Secretary, Department of Planning and Environment



- Secretary, Department of Transport.

In December 2016 the Minister for Finance, Services and Property appointed deputies for each member of the Board under Schedule 5 of the Act, to assist with effective function of the Board. A member's deputy is to act in the place of the member if the member is absent, and have all the functions of the member while doing so.

## Meetings

The Procurement Board held five scheduled meetings in 2016-17: on 6 July 2016, 28 September 2016, 23 November 2016, 1 March 2017 and 6 June 2017. It also considered matters out of session in August/September 2016, April 2017, May 2017, and July 2017.

## Administration

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

## Work plan and priorities for 2016-17

The Board continued to progress its 2016 Work Plan in 2016-17. The initiatives in the work plan are based on the *Procurement Strategic Directions Statement Update 2015*. The strategic objectives in the 2015 update are: maximising value for money, delivering innovation through procurement, and using data to better plan and drive procurement. As at 31 December 2016, all 25 actions from the 2016 work plan were complete or underway.

With the commencement of the whole-of-government strategic review in early 2017, the Board approved a high-level Work Plan for 2017 to manage the range of priority policy and strategic matters for 2017 while aligning with processes associated with the review. The initiatives in the 2017 high level work plan are grouped into the main areas of Governance, Procurement Rules, Jobs for NSW and Innovation, and Policy Review.

The Board's Strategic Directions Statements are available on the [ProcurePoint website](#).

The whole-of-government strategic review aims to objectively evaluate the outcomes of the NSW Government's procurement reforms which commenced in 2011, and use the findings as the basis for agenda-setting for the near-to-medium term. The diagnostic phases of the review were completed by 30 June 2017.

Major achievements by the Board in 2016-17 included:

- setting arrangements for compliance on the standards for construction materials and processes
- developing and launching the Government Facilities Management Category Management Plan
- supporting the NSW Social Innovation Council to develop and launch the Government Human Services Agreement to improve provision of human services by non-government organisations
- launching a refreshed version of the NSW Government ICT contracting framework *Procure IT v3.2*
- approved commencement of the NSW Government Legal Services Panel, as part of the Procurement Benefits Program initiatives.

## Procurement Policy Framework

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 are kept to a minimum. Additional material with the Procurement Policy Framework is provided as guidance, representing the NSW public sector's better practice for procurement. The Procurement Policy Framework is accessible on the [ProcurePoint website](#).

## Agency Accreditation Scheme for Procurement

The Procurement Board continued to support the Agency Accreditation Scheme for Procurement, which supports the devolved model for agency procurement in NSW. NSW Government agencies can undertake different levels of goods and services procurement based on assessed capability. The scheme ensures procurement capability across NSW Government agencies, connects agency procurement needs and requirements across government, and provides 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 through 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.

By 30 June 2017, 20 NSW Government entities were accredited under the scheme. Twelve entities were also accredited for construction procurement.

## Statutory reporting requirements

The Procurement Board has a statutory requirement to report details of any directions given to the board by the Minister for Finance, Services and Property. The Minister gave the Board no directions during 2016-17.

## Board subcommittees and advisory groups

The Board can establish subcommittees and advisory groups to assist its work under Section 167 of the Act. The Board is supported by the Procurement Leadership Group, the Construction Leadership Group and procurement category management working groups.

### **Procurement Leadership Group**

The Procurement Board established the Procurement Leadership Group (PLG) to support and advise it on goods and services procurement and to maintain consistent approaches to procurement across agencies. The PLG comprises senior procurement executives drawn from across the NSW public sector. The PLG met 11 times in 2016-17, every month except for January 2017.

### **Construction Leadership Group**

The Procurement Board established a governance framework for Government construction procurement policy through the Construction Leadership Group (CLG). The CLG advises the Board and seeks to maintain consistent approaches to construction procurement across agencies. The CLG is comprised of senior construction and infrastructure executives drawn from across the NSW public sector. The CLG met 11 times in 2016-17, every month except for January 2017.

In July 2017, the Board approved updated terms of reference for the CLG, to reflect updated areas of focus, the changing environment for infrastructure and construction, and the CLG's involvement with construction-oriented agencies. The updated terms of reference included scheduled periodic reporting by the CLG to the Board on its activities and on current and planned construction procurement.

### **Procurement Category Management Working Groups**

The Procurement Board established Category Management Working Groups around particular procurement categories. These cross-agency groups have, or are, devising strategies for purchases across the broad areas of energy, fuel, travel, ICT, workplace supplies, contingent workforce, business advisory services, legal services, fleet, construction and facilities management procurement. Category plans are published on the [ProcurePoint website](#).

## Procurement Board directions

The Procurement Board has the power to issue directions that set rules and guidelines for the procurement of goods and services by government agencies. During 2016-17 the Board issued five directions, covering construction standards and conformance, procuring human services from non-government organisations, and use of the updated government ICT procurement contracting framework, Procure IT v3.2.

All Procurement Board directions, including withdrawn directions, are available on the [ProcurePoint website](#).

## Complaints

The Board deals with complaints about NSW Government procurement arrangements, including tendering and contracts. No complaints were referred to the Procurement Board in 2016-17.

## Risk management

Part of the Procurement Board's strategic function is to consider and address all risks arising from government procurement (e.g. procurement, corporate, financial and reputational). Agencies have to be proactive in alerting the Board to systemic or widespread risks if they arise.

Risks in procurement activities depend on the context. In the NSW Government's devolved procurement system agencies have significant responsibilities to identify and manage risks associated with procurements for their own requirements under their accreditations for procurement. The NSW Government Agency Accreditation Framework for Procurement is the primary mechanism for managing risks in agency procurement.

## Insurance activities

Insurance requirements for suppliers to government (e.g. for prequalification schemes) are largely developed and put in place at agencies as and when required at the relevant operational level (e.g. procurement contracts, prequalification scheme conditions). Whole-of-government procurement arrangements are generally approved by the Board's advisory groups like the Procurement Leadership Group and the Construction Leadership Groups. Strategic whole-of-government arrangements (e.g. the Whole-of-Government Legal Services Panel) are approved by the Procurement Board.

## 5.6 Valuer General

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### Independent Pricing and Regulatory Tribunal (IPART) price setting for valuation services

The Valuer General is required to provide land valuation lists and supplementary lists to councils under the *Local Government Act 1993*. These services are declared as government monopoly services under the *Independent Pricing and Regulatory Tribunal Act 1992*. IPART determines the prices that the Valuer General can charge for these services.

In 2014, IPART reviewed the pricing of monopoly valuation services and published its report setting prices for the five year period from 1 July 2014 to 30 June 2019. The prices are set to increase over the five years by the Consumer Price Index.

For 2016-17, IPART set the maximum prices to:

- residential land \$5.65
- non-residential land \$12.42.

The Valuer General's charges for valuation services in 2016-17 were set in accordance with the maximum prices allowed under the IPART determination.

The overall average cost per valuation was \$18.80. In comparison, the cost per valuation for the 2015-16 reporting year was \$18.68.

**Note:** this is an extract from the 2016-17 NSW Valuer General Annual Report, which can be found at [http://www.valuergeneral.nsw.gov.au/publications/annual\\_reports](http://www.valuergeneral.nsw.gov.au/publications/annual_reports).

## 6. Appendices

### 6.1 Accounts payable performance

For the principal DFSI divisions, including: LPI, Revenue NSW, Government and Corporate Services, Better Regulation, Fair Trading, Public Works Advisory, Information Communications Technology and Digital Government, and the Office of the Secretary.

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
<b>All suppliers</b>						
Sep-16	35,205	(2,340)	464	406	86	33,821
Dec-16	33,317	1,648	88	(1,094)	(146)	33,812
Mar-17	41,195	(1,949)	(158)	(1,247)	(1,002)	36,839
Jun-17	52,837	(1,607)	384	758	(1,495)	50,878
<b>Small business suppliers</b>						
Sep-16	57	-	-	-	-	57
Dec-16	69	-	-	-	-	69
Mar-17	103	-	1	-	-	104
Jun-17	171	-	-	-	-	171

Note: Small business registration with DFSI 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-16	Dec-16	Mar-17	Jun-17
All suppliers				
Invoices due for payment (#)	25,822	13,137	9,915	11,472
Invoices paid on time (#)	21,981	11,933	8,839	10,518
Actual percentage of invoices paid on time (based on number of invoices)	85.13%	90.84%	89.15%	91.68%
Amount due for payment (\$'000)	399,509,742	253,996,217	280,202,228	311,807,069
Amount paid on time (\$'000)	368,153,766	241,203,146	260,429,501	295,565,712
Actual percentage of accounts paid on time (based on \$)	92.15%	94.96%	92.94%	94.79%
Number of payments for interest on overdue accounts (#)	0	0	0	0
Interest paid on late accounts (\$)	0	0	0	0
Small business suppliers				
Invoices due for payment received from small businesses (#)	361	184	155	178
Invoices from small businesses paid on time (#)	350	176	144	168
Actual percentage of small business invoices paid on time (based on number of invoices)	96.95%	95.65%	92.90%	94.38%
Amount due for payment to small businesses (\$'000)	936,485	606,255	813,642	918,984
Amount due to small businesses paid on time (\$'000)	894,718	580,090	738,417	876,603
Actual percentage of small business accounts paid on time (based on \$)	95.54%	95.68%	90.75%	95.39%
Number of payments to small business for interest on overdue accounts (#)	0	0	0	0
Interest paid to small businesses on late accounts (\$)	0	0	0	0

Note: the report does not include payments made to employees and 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.

Government initiatives to wind down NSW Public Works and StateFleet have resulted in notably lower payment volumes for the department. Volumes reduced to 60,346 invoices paid in 2016-17, down from 156,159 in 2015-16.

Payments for both NSW Public Works and StateFleet have structural features that helped support timely creditor payments. NSW Public Works payments were governed by the Security of Payments legislation, which ensured that all payments were made within 15 working days of a request for payment. The vast majority of StateFleet payments were made within seven or 21 days. The 2016-17 statistics above are a true representation of the cluster's remaining divisions' payment performance.

## 6.2 Annual report preparation

DFSI's 2016-17 annual report was produced internally. An external desktop publisher was engaged to format the report at a cost of \$960 (plus GST).

The report is available as a PDF on the DFSI website: [www.finance.nsw.gov.au/publication-and-resources/annual-reports](http://www.finance.nsw.gov.au/publication-and-resources/annual-reports).

## 6.3 Consultants

### Engagements over \$50,000

Consultant	Business Unit	Category	Purpose	Amount
Ernst & Young	Revenue NSW	Management Services	Development of customer journey maps and high level business process modelling to support uplift in customer experience.	\$467,500.00
Ernst & Young	Revenue NSW	Management Services	Development of process automation strategy and proof of concept demonstration.	\$148,000.00
Ernst & Young	Government Services	Management Service	Conduct market analysis on steel procurement for NSW government.	\$50,000.00
Ernst & Young	ICT & Digital Government	Management Service	Cost savings analysis as software broker across whole-of-government.	\$97,500.00
Ernst & Young	Better Regulation	Management Services	Conduct first survey on commencing businesses in each state.	\$179,350.00
Deloitte Touche Tohmatsu	ICT & Digital Government	Organisational Review	Advice on cyber security, role definition, and forward implementation in the cyber security ecosystem for whole-of-government.	\$366,094.00
KPMG	Titling and Registry Services	Organisational Restructure/ Review	Advice on technology and administration matters relating to management reporting due to privatisation of Titling & Registry Services.	\$202,081.83
KPMG	Revenue NSW	Organisational Review	Consulting fees to assess and develop a roadmap for OSR Business Technology Services to improve IT service management and delivery capability.	\$80,100.00
KPMG	Government Services	Management Service	Reviews undertaken on high value complex contracts to identify and deliver procurement savings	\$570,801.00
KPMG	Valuation Services	Organisational Review	Review for efficiency and cost savings in process/workflow review on valuations activities.	\$325,285.00
KPMG	Better Regulation	Management Services	Producing a user-friendly calculator for public use for cost of retirement homes.	\$91,020.00
PWC	Land and Property Information Central Register of Restrictions	Government service for public interest	Investigation on an error occurring in uploading files from Roads and Maritime Services; which resulted in Government releasing investigation report in full and adopting recommendations.	\$119,114

Consultant	Business Unit	Category	Purpose	Amount
McKinsey & Company	Government Services	Management Service	Identification of financial savings for Procurement Spending.	\$250,000.00
McKinsey & Company	Government Services	Management Service	Strategic review of NSW Government Procurement reforms and analysis of the current condition of government procurement, benchmarking against peer organisation and improvement recommendations.	\$951,379.00
McKinsey & Company	Revenue NSW	Management Services	The assessment of data analytics practices and capabilities within Revenue NSW and recommending improvement opportunities.	\$150,000.00
Independent Pricing & Regulatory	Fair Trading	Management Services	Review of maximum price for wholesale ethanol.	\$450,000.00
Portland Group	Government Services	Management Service	Delivering procurement efficiencies and innovations with strategic NSW Government suppliers to achieve cost savings driven by Procurement Benefits Program.	\$328,402.80
Gilbert & Tobin Lawyers	Office of the Registrar General	Legal Advice	Legal Advice on Memorandum of Understanding with Water NSW and Crown Register of Restrictions Information agreement.	\$94,704.50
Energetics Pty Ltd	Government Services	Management Service	Provide strategic advice to Energy Procurement Committee for contract 777 – Retail Supply of Electricity to government offices across NSW.	\$93,229.85
Continuity Planners Australia	Revenue NSW	Management Services	Professional fees for business impact analysis for business continuity planning purposes.	\$88,927.27
Cubic Consulting Pty Ltd	Revenue NSW	Management Services	Change communication and marketing management capability to support the delivery of the e-Property program for Duties and land tax.	\$89,715.00
PPB Advisory	SafeWork NSW	Organisation Review	Review and design of governance.	\$79,800.00
Customer Experience	Revenue NSW	Management Services	Market research undertaken to develop a reform agenda to improve the timeliness and responsiveness of OSR to customer queries.	\$68,000.00
Litmus	Better Regulation	Management Services	Data migration onto a single common platform to increase efficiency and ensuring integrity and protection of information.	\$57,000.00
<b>Subtotal engagements over \$50,000:</b>				<b>\$5,398,004.25</b>



## Engagements under \$50,000

Category	Number of engagements	Expenditure
Finance and accounting/tax	3	\$87,114
Information Technology	3	\$56,394
Legal	0	\$0
Management service	32	\$400,426
Organisational review	2	\$20,700
<b>Subtotal engagements under \$50,000:</b>		<b>\$564,634</b>
<b>Total expenditure on consultants:</b>		<b>\$5,962,638.25</b>

## 6.4 Consumer response

### Better Regulation

In 2016-17, SafeWork NSW and NSW Fair Trading conducted 549 joint agency visits in three industry sectors – mid-rise construction, remote petrol stations and tree work services.

### NSW Fair Trading

Fair Trading publishes customer service standards which outline the service delivery standards the people of NSW can expect when interacting with Fair Trading. During 2016-17 Fair Trading received 7.29 million requests for service. This included 5.05 million website visits, 786,607 telephone enquiries with additional requests for service comprising complaints, applications, rental bond lodgements and renewals for licences and registrations.

In 2016-17 the Enquiries and Complaints unit supported the community through:

- 55,329 enquiries for assistance
- 44,725 customer and traders complaints with 81% received electronically making it the preferred channel of choice for complaints
- participation in 444 activities, reaching over 8,800 multicultural consumers through our Informed Choices program
- 347 information sessions to senior groups
- 147 events with over 3,719 participants in the Youth Informed Choices program
- information sessions to over 9,500 of vulnerable consumers and their families with disabilities.

Fair Trading encouraged consumers and traders to provide feedback on their experience. This feedback was captured in Fair Trading's Customer Feedback management system.

In 2016-17, NSW Fair Trading received 578 customer feedback responses from consumers and traders, comprising:

- 203 (35%) compliments
- 69 (12%) suggestions
- 306 (53%) complaints.

Of those complaints:

- 51% were deemed to be unjustified complaints

- 34% were deemed to be justified
- 21% had some substance requiring remedial action.

Of the complaints received:

- 23% alleged failure to deal appropriately with a complaint
- 17% inaccurate information/wrong decisions
- 14% lack of response or feedback
- 12% faulty procedure.

There was a 5 per cent reduction in the number of complaints generated from 2015-16.

Of the compliments received:

- 80% related to customer service, especially service quality
- 10% involved staff actions
- 6% related to the NSW Fair Trading website.

Fair Trading actively monitored its customer complaint handling performance and evaluated customer complaint volumes and trends for service improvement purposes and has introduced more effective disciplinary processes and decisions, resulting in \$411,750 in fines for unsatisfactory professional conduct in the last two years.

The introduction of the Complaints Register resulted in 1,075 traders being actively case managed and 202,185 website visits viewing the register. Record complaints and investigations including 387 complaints were determined in the last two years with 226 in 2015-16 and 161 in 2016-17.

Fair Trading held its annual Building Business Expo Program between July and November 2016, with eight evening CPD seminars and a total attendance of 971 people. Since the program's launch in 2009, Fair Trading has held 87 building expos attended by approximately 13,000 people. Counter services were transferred to Service NSW making it easier for business customers to access services in metropolitan and regional areas, giving regional NSW the same modern and efficient service delivery available to city-based businesses.

The integration of the Building Professionals Board into NSW Fair Trading resulted in a 38 per cent improvement in application processing and 38 per cent improvement in complaints processing. The Board is now meeting the Government's objective with a range of major Certifier reforms.

## **SafeWork NSW**

SafeWork NSW delivered on a number of key initiatives during 2016-17 including:

- launching the Work Health and Safety Roadmap for NSW 2022 and Our Approach to Work Health Safety Regulation
- implementing the Strategic Business Plan 2016-17
- publishing the Customer Service Standards.
- engagement with the NSW community in numerous ways including over:
  - 32,000 inspector interactions
  - 780,000 website visits
  - 140,000 emails, calls and letters
  - 73,000 licences issued
  - 35,000 Get Health at Work checks.
- launching the NSW Government's \$3.2m 'Safety starts with you' multimedia campaign

- conducting extensive consultation to inform a statutory review of NSW's Work Health Safety legislation
- delivering against the NSW state wide Asbestos Plan 2013-2016 and finalising an Asbestos Plan for 2017-18
- the acceptance of 10 enforceable undertakings resulting in over \$3 million of WHS improvements
- the expansion of the Quad Bike Improvement Program, which was well received by farming communities. Rebates in the program have doubled from \$500 to \$1,000. From July 2016 to 30 June 2017, 961 safety rebates were paid to farmers, totalling \$577,099 resulting in a total investment in WHS of \$7.7m. A total of 311 farmers and farm workers participated in quad bike safety training, with 58 training events delivered across regional and remote NSW
- 539 Small Business Rebates being paid to eligible businesses resulting in over \$760,000 in WHS improvements.

### ***Work Health and Safety (WHS) data***

SafeWork NSW monitors changes in the number and incidence rates of workplace fatalities, injuries and illnesses using a number of different data sets, one being workers compensation claims data. The most current workers compensation claims data available is for the period 2015-16 (provisional data only) and a summary of NSW data for that period is outlined below

- Employment injury fatality claims:
  - there were 90 employment injury fatality workers compensation claims in 2015-16. (Due to differences in definitions, this figure differs from the 2015-16 Traumatic Injury Fatality result published in SafeWork NSW Strategic Business Plan 2017-18)
  - employment injury fatality incidence rate has increased slightly to 2.62 claims per 100,000 workers in 2015-16 from 2.6 in 2014-15
  - age range with the highest number of employment injury fatalities was 45-49 with 15 fatalities.
- Major employment injury claims:
  - major employment injuries are defined as injuries resulting from work-related incidents and occupational diseases contracted or aggravated out of, or in the course of, a worker's employment. This includes major claims where the injury or disease resulted in death, permanent disability or temporary disability with at least one week of weekly benefit entitlement paid
  - in 2015-16 there were 30,861 major employment injury workers compensation claims
  - the highest number of major employment injury claims was reported in health care and social assistance with 4,453 claims, followed by manufacturing (4,352 claims) and construction (3,827 claims).
- Major workplace injury claims:
  - workplace injuries are defined as those caused by incidents occurring at the workplace either during work or a work break and when the worker's activity is under the control of an employer, including road traffic accidents while on duty
  - there were 24,153 major workplace injury workers compensation claims in 2015-16
  - the major workplace injury incidence rate has decreased to 7.03 claims per 1,000 workers in 2015-16 from 7.7 in 2014-15
  - the industry with the highest number of major workplace injury claims was health care and social assistance with 3,541 claims
  - body stressing is the most common mechanism or cause of major workplace injuries with 8,786 claims
  - labourers had the highest number of major workplace injury claims – 6,353

- the age range with the highest number of major workplace injury claims was the 50-54 year age bracket with 2,947 injuries.
- Major occupational disease claims:
  - in 2015-16, there were a total 6,540 major occupational disease workers compensation claims
  - the manufacturing industry is the major contributor for occupational diseases with 1,036 major claims, followed by health care and social assistance with 899 claims, then public administration and safety with 749 claims. These three industries combined account for 2,684 occupational disease major claims.
- Other major work-related injuries:
  - there were 168 other major work-related injury worker compensation claims away from the workplace when the worker is considered on duty. For example, the definition includes when the worker is away from work during a recess period or when commuting for work purposes
  - this data may differ from data published in other reports by SafeWork NSW. This data was correct at the time in which it was extracted; however, it may change due to the progression of time and the application of data quality reviews. The workers compensation claims dataset for 2015-16 is provisional data and subject to change. While every effort is made to ensure data quality, the data is provided “as is”. The burden for fitness of the data relies completely with the user.
- SafeWork NSW compliance and enforcement activity:
  - SafeWork NSW provides advice to workplaces and undertakes workplace inspections, investigation of incidents and complaints. It also issues penalties and undertakes prosecutions
  - below is a summary of compliance, enforcement and other activities undertaken during 2016-17.

Activity	Number
Workplace visits – proactive	22,139
Workshops, presentations, seminars, forums – proactive	706
Workplace visits – reactive	9,917
Other reactive interventions	5,020
Penalty notices issued	160
Prohibition notices issued	1,041
Improvement notices issued	7,513
Total other notices issued	1,782
<b>Breakdown by section/clause of WHS legislation:</b>	
C106	42
C110	32
S136B	0
S155	997
S161	5
S163A	196
S171	291

Activity	Number
S174	1
S177	23
S178	32
S179	1
S198	42
S238	10
S59B	48
Notices under explosives legislation	62
Enforceable undertakings	10
Legal proceedings finalised	34 (not including enforceable undertakings or deed of agreement)
Legal proceedings resulting in a conviction, order or agreement	33 (not including enforceable undertakings or deed of agreement)
Amount of fines ordered by the Courts	\$4,463,650

### **Loose-fill asbestos insulation**

Elicited and processed more than 70,000 registrations, inspected over 38,000 properties, provided financial assistance to 139 affected homeowners, purchased 81 properties and successfully demolished and remediated 14 of those properties.

Remediated sites were removed from the Loose-fill Asbestos Insulation Public Register. Extensive engagement, education and communication efforts were implemented to manage expectations of stakeholders and communities. Working with partners like SafeWork NSW, Public Works Advisory and Property NSW, LFAI ensured that rigorous work, health and safety standards were followed throughout the program, especially in asbestos removal and demolition activities.

### **Office of the Registrar General**

- Reviewed 24 Torrens Assurance Fund (TAF) claims valued at around \$11 million
- Reviewed 13 boundary disputes between adjoining property owners and completed 80 audits across NSW – 55 of which were in the Sydney metropolitan area and 25 in regional NSW.

## DFSI KPI data – reporting NSW progress against the targets in the Australian WHS Strategy 2012-2022

Key Performance Indicator	Unit	Baseline	Three year rolling average results				Interim target <sup>1</sup>	Target
		2007-2010	2011-13	2012-14	2013-15	2014-16	2014-16	2020-2022
Reduce the number of worker fatalities by at least 20% by 2022	Number of traumatic injury fatalities (workers only) <sup>2</sup>	75 (1)	65 (1)	65 (1)	58 (1)	57 (2)	69 (1)	60 (1)

Data sources:

- (1) Data provided by Safe Work Australia on 24 November 2016.
- (2) The data for the calendar year 2016 (52 fatalities) was provided by Safe Work Australia on 13 April 2017. The data are preliminary only and could change when data quality checks are applied in the future.

Key performance indicator	Unit	Baseline	Results		Interim target <sup>3</sup>		Target
		2009-10 to 2011-12	2012-13	2013-14	2014-15	2014-15	2021-22
Reduce the incidence rate <sup>4</sup> of claims resulting in one or more weeks off work by at least 30% by 2022.	Incidence rate of serious workers compensation claims <sup>5</sup>	14.3 (1)	11.7 (1&2)	10.8 (1&2)	10.2 (2)	13.1 (1)	10.0 (1)

Data sources:

- (1) Data provided by Safe Work Australia on 24 November 2016.
- (2) From the 18<sup>th</sup> edition (revised) of the Comparative Performance Monitoring Report available here: [www.safeworkaustralia.gov.au/doc/comparative-performance-monitoring-report-18th-edition-main-report](http://www.safeworkaustralia.gov.au/doc/comparative-performance-monitoring-report-18th-edition-main-report)

<sup>1</sup> The interim target was derived assuming a linear decrease from the baseline to the target.

<sup>2</sup> The definition of traumatic injury fatalities (workers only) are fatalities resulting from an injury sustained in the course of a work activity. It excludes fatalities as a result of someone else's work activity (bystander activities). It includes work-related fatalities on public roads and off public roads. Further information is available from the SWA publication 'Work-related traumatic injury fatalities Australia 2015' available here [www.safeworkaustralia.gov.au/collection/work-related-traumatic-injury-fatalities](http://www.safeworkaustralia.gov.au/collection/work-related-traumatic-injury-fatalities).

<sup>3</sup> The interim target was derived assuming a linear decrease from the baseline to the target.

<sup>4</sup> Definition of incidence rate is the number of serious injury claims per 1,000 employees.

<sup>5</sup> 'A serious claim is defined as a liability accepted workers' compensation claim for an incapacity that results in a total absence from work of one working week or more. Claims excluded from this definition include those arising from a work-related fatality, or a journey to or from work, or during a recess period. This definition also excludes deafness claims as such claims tend not to have an absence from work of one working week or more. Further information is available from the SWA publication 'Measuring Progress against the targets' accessed on 28/08/17 and can be found here: [www.safeworkaustralia.gov.au/doc/measuring-progress-towards-targets-reducing-incidence-work-related-death-injury-and-illness](http://www.safeworkaustralia.gov.au/doc/measuring-progress-towards-targets-reducing-incidence-work-related-death-injury-and-illness)

## Property and Advisory Group

Property NSW (PNSW) responded efficiently and effectively to feedback from customers, tenants and visitors to its precincts. During the financial year, a total of 19,752 reports, requests, compliments and complaints were captured through the Customer Request Management System (CRMS).

This system was linked to a dedicated Customer Service Request Line which operated 24 hours a day, seven days a week and allowed PNSW to identify key trends and issues within its precincts and respond accordingly.

Complaints received through the system related to various matters, including busking, noise and the removal of rubbish. PNSW responded quickly and equitably to CRMS complaints, completing 94% of all requests on time.

Additionally, PNSW encouraged feedback from the general public via an online platform on its corporate website. It responded to 772 emailed compliments, complaints and enquiries captured through this system.

In 2016-17, PNSW captured 5,326 posts on the Darling Harbour Facebook page and 6,438 posts on The Rocks Facebook page. It also actioned 595 enquiries via the Darling Harbour website and 537 enquiries via The Rocks website.

Additionally, PNSW has mechanisms in place for its government agency clients to provide feedback relating to base building issues via the PNSW Maintain Portal at <https://propertynsw.thepsc.com/Login.aspx>.

In 2016-17, the portal continued as the central service point for agency property management issues. It allows government agency staff to log and track maintenance requests online in real time for PNSW managed buildings (leased and owned).

Types of requests that can be submitted through this portal include:

- building structure, walls, roof, floor, carpet
- base air-conditioning
- fire control system
- electrical and plumbing
- grounds maintenance
- WH&S includes hazards or incidents.

## Revenue NSW

During 2016-17, Revenue NSW received 1,099 complaints, 273 compliments and 65 suggestions for improvements.

### Complaints

Of the 1,099 complaints received throughout the year, overall complaints were related to the following:

- 23% related to disputes regarding review decisions
- 18% related to additional enforcement costs
- 59% related to customer services, recovery actions, payment plans and online services.

### Customer Experience Team

Revenue NSW has established a dedicated team to provide insights and drive improvements to the customer experience across its products and services. The team is responsible for governing the effective resolution of complaints aligned to the NSW Ombudsman's Complaint Handling Framework.

Furthermore, all complaints, suggestions, surveys, focus groups and contextual inquiries are synthesised into insights for the business to prioritise and action.

Processes are in place to ensure all customer feedback received through various channels is acknowledged. All customers with complaints were contacted, or contact was attempted, to acknowledge the issue and to outline the resolution outcome.

### **Continuous improvement program**

Revenue NSW has introduced a centralised customer feedback management system called 'MyCustomer'. The system was launched on 30 January 2017, enabling staff to submit ideas to improve the customer experience across our products and services.

This system captures all customer complaints, compliments and suggestions for improvements. Since its introduction, staff have registered 305 ideas for improvement, of which 74 have been implemented.

### **Customer engagements**

As part of its Customer Experience Strategy, Revenue NSW focused on directly engaging with customers to learn about their experiences and identify improvements to service delivery. In 2016-17, Fines and Land Tax customers were invited to participate in interviews and share their experience in managing their fine/land tax matter, aiding better process and service design. Insolvency practitioners were also engaged in a workshop to collaborate, discuss their journey and opportunities for improvement.

## **Government and Corporate Services**

### **NSW Procurement Service Centre statistics**

The NSW Procurement Service Centre managed 52 per cent more calls compared to 2015-16 mostly due to the growth of prequalification arrangements, and in small to medium supplier registration.

Against a target of 85 per cent for calls resolved at the first level, the Service Centre achieved 89 per cent. The slight drop in first level resolve can be attributed to the devolution of some key contracts/schemes, and the need for escalation to responsible agencies.

<b>2016-17 Service Centre statistics by incident type</b>							
	<b>2016-17</b>	<b>% of Total</b>	<b>2015-16</b>	<b>% of Total</b>	<b>2014-15</b>	<b>% of Total</b>	<b>2013-14</b>
Contracts & schemes	433	2%	5,340	30%	3,861	27%	6,055
Tendering	6,744	25%	5,007	29%	4,399	31%	6,551
Purchasing	1,300	5%	1,502	9%	1,625	8%	2,691
Policy	221	1%	834	5%	570	4%	1,268
Construction	1,074	4%	668	4%	1,026	7%	674
Other	2,266	8%	4,206	24%	2,501	23%	1,226
CC Supervision Delta	14,671	55%					
<b>Total</b>	<b>26,709</b>	<b>45%</b>	<b>17,557</b>	<b>100%</b>	<b>13,982</b>	<b>100%</b>	<b>18,465</b>



2016-17 Service Centre statistics						
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Total number of incidents	25,635	17,557	13,982	18,468	17,522	25,744
LiveChat	1315	868				
Total number resolved first level	22,831	16,182	12,584	15,645	14,373	20,759
% first level	89%	92%	91%	86.00%	82.03%	80.64%
Total number resolved in Service Level Agreement	24,679	16,126	12,786	17,887	16,646	24,202
% calls resolved in Service Level Agreement	96%	92.00%	95.70%	91.00%	95.00%	94.00%
Compliments	56	90	32	38	356	451
Complaints	0	9	3	1	10	5

## 6.5 Corporate credit card use

As required by *Treasury Policy Paper TPP 05-1 Credit Card Use Best Practice Guide*, I certify that corporate credit card use in the Department of Finance, Services and Innovation during 2016-17 has been in accordance with Premier's Memoranda and Treasurer's directions.

**Jeannine Biviano**

**Acting Secretary, Department of Finance, Services and Innovation**

**Date: 7 September 2017**

## 6.6 Disclosure of controlled entities

For the purposes of financial reporting, DFSI had no controlled entities for the 2016-17 financial year.

## 6.7 Diversity and inclusion policies and services

The DFSI Strategic Plan 2016-19 outlines DFSI's commitment to the NSW Government target to increase the representation of women in senior leadership roles to 50 per cent by 2025 across the public sector. In particular, the Secretary has committed to exceeding government employment targets for women in senior positions by investing in initiatives that attract female talent and build on internal capability for leadership, resilience and responsiveness to change, including networking events, targeted recruitment campaigns, mentoring opportunities and participation in leadership development programs. In addition, DFSI participated in the AICD Foundations of Directorship for the Public Sector Program and the my mentor: Courageous Woman program.

### **Diversity Advisory Council**

The Diversity Advisory Council was established in February 2017. Its purpose is to:

- provide advice and counsel to the Executive in the development and monitoring of the DFSI Diversity and Inclusion Strategy
- proactively demonstrate visible and active leadership of diversity and inclusion across DFSI.

The Council is sponsored by the Secretary, Martin Hoffman, and the inaugural Chair is Deputy Secretary, Stephen Brady. Other members of the Council include the Deputy Secretary of Government and Corporate Services, the Executive Director of People and Culture, senior divisional members, and representatives from the Employee Resource Groups.

Council meetings are held quarterly.

### **Employee Resource Groups**

In April 2017, Employee Resource Groups (ERGs) were established to focus on the following diversity areas: women; Aboriginal and Torres Strait Islander people; people with disability; carers; culturally and linguistically diverse people; lesbian, gay, bisexual, transgender, intersex, queer (LGBTIQ); and mature age workers.

The purpose of each ERG is to assist and inform the DFSI Diversity Advisory Council to build a diverse and inclusive workforce that is better able to engage with and understand the needs and expectations of its employees and customers.

### **Aspire Leadership Program**

The Aspire Leadership Program was designed to develop a pipeline of high potential female employees, and prepare a cohort of women for the next step into more senior roles within Revenue NSW. Recognising the gap between men and women in leadership roles, the program is targeted to aspiring female leaders at Grades 7/8, 9/10 and 11/12.

This pilot program runs over six months and consists of residential workshops, coaching, 360 degree feedback and project work. The content covers a number of topics broadly focused on developing career plans, transitioning to managerial roles, and developing skills and confidence in specific areas.

The program commenced in April 2017. It involves nine high performing Revenue NSW team members.

An evaluation of the program will be conducted at its end.

### **Service NSW Rural and Regional Aboriginal Employment Strategy**

The Service NSW Rural and Regional Aboriginal Employment Strategy provides opportunities for young Aboriginal people to gain meaningful employment within their community of residence. In addition, Service NSW participates in the Public Service Commission's Aboriginal Workforce Development programs.

### **NAIDOC Week celebrations**

Two DFSI-wide events were held in Sydney and Gosford in July 2016 to celebrate NAIDOC Week 2016 and its theme 'Songlines', which highlighted the strong spiritual and cultural connection that Aboriginal and Torres Strait Islander peoples have with ancestral spirits.. Both events included a smoking ceremony, traditional Aboriginal dance, didgeridoo performance and morning tea. The events were attended by more than 150 staff from across DFSI. In addition, divisions hosted local NAIDOC events within their workplaces and local communities across NSW.

### **Work and Development Orders scheme supporting Indigenous communities**

Revenue NSW assists people struggling to pay their fines debt by providing alternative arrangements through the Work and Development Orders (WDO) scheme. In 2016-17, \$27.6 million of fines debt was resolved through the scheme.

As one of the first approved sponsors to the WDO scheme, Aboriginal Customer Advisory Officers at The Glen Centre, a residential rehabilitation centre on the Central Coast, provided assistance to men receiving drug and alcohol treatment. A number of people who have gone through The Glen programs, coupled with the WDO scheme, have been able to make positive changes in their lives.

## **Disability Inclusion Action Plan**

DFSI is a member of the Australian Network on Disability – a member-based organisation for employers wanting to progress the inclusion of people with disability in all aspects of their business.

The Disability Inclusion Action Plan (DIAP), launched in December 2015 demonstrated DFSI's commitment to:

- increase accessibility to information, services and our workplaces for people with disability
- ensure positive attitudes and behaviours towards people with disability are evident in interactions
- find ways we can attract and retain people with disability
- identify improvements in accessibility to DFSI systems and processes for people with disability.

## **Multicultural Policies and Services Programs**

The Public Service Association's multicultural policies and service programs are guided by DFSI's Diversity and Inclusion Strategy, Aboriginal Workforce Strategy, Disability Inclusion Action Plan and the *Government Sector Employment Act 2013*, which prioritises diversity in the workforce. This year DFSI's reporting themes are: improving outcomes for women, services for humanitarian entrants, key performance indicators and evaluation results.

## **Community Language Allowance Scheme**

DFSI offers assistance in 22 community languages to customers from non-English speaking backgrounds through the Community Language Allowance Scheme (CLAS). CLAS recognises the skills of more than 50 bilingual staff that provide language assistance to meet the needs of customers.

## **Harmony Day celebrations**

Harmony Day is an annual celebration of cultural diversity that coincides with the United Nations' International Day for the Elimination of Racial Discrimination. On 21 March 2017 DFSI celebrated this event by hosting a Harmony Day Café in the Sydney office. The morning tea provided an opportunity to promote DFSI's values and respect for cultural diversity in the workplace and involved participation by staff from different divisions to celebrate diversity and enjoy food from different parts of the world.

## **Refugee employment**

Service NSW launched a Refugee Internship Program that provides opportunities for newly arrived refugees to gain experience in Australian workplaces.

## **Carers**

DFSI provides a range of flexible work arrangements and support for staff to balance work and caring responsibilities. This includes online child and eldercare kits available to all staff. Both kits provide useful information for carers, and links to a range of sites offering specialist help including in relation to parental leave, family day care, and centre-based care and support services.

## **DFSI Young Professionals Network**

The Young Professionals Network (YPN) supports the personal, professional, and social development of DFSI employees aged 35 years and under.

This year, the YPN matured its program offerings and grew its scope to accommodate the graduate intake of 2017. The YPN's key achievements were:

- coordinated 10 tables at the annual IPAA CEO and young professionals breakfast, seating 10 executives and more than 60 young professionals across DFSI
- sponsored the attendance of eight YPs at the Australian Public Sector Young Leaders Conference, including a number of regional staff from across the state

- participated in and assisted with the facilitation of multiple inter-agency events with other YPNs across the NSW Public Service, including hosting a lawn bowls event
- established its flagship 'Let's Talk Forum' event with external speakers and a panel discussion for professional development
- played an active role in meetings with YPN chairs from across the sector to improve the program
- published quarterly newsletters informing DFSI's young professionals of significant events and networking opportunities
- played a key role in establishing the Wagga Wagga YPN which now includes almost 30 members
- held a 'Meet the Minister's office' event in Sydney to give 40 young professionals the opportunity to meet advisors of the Minister for Finance, Services, and Property.

### **NSW Fair Trading**

Fair Trading implemented a number of strategies to ensure people from culturally diverse backgrounds have access to relevant information about its services, programs, and opportunities. The following activities relate to Fair Trading's multicultural service delivery.

- The Think Smart Partnership Program is an education program for culturally and linguistically diverse (CALD) communities. Since 2002, the program has delivered information and education directly to CALD groups through partnerships with CALD service providers, community organisations and multilingual media.
- The Commissioner for Fair Trading together with the then Minister for Innovation and Better Regulation the Hon Victor Dominello MP, hosted the annual Think Smart Multicultural Conference in Parramatta in October 2016 to highlight the role of Fair Trading and support vulnerable consumers such as CALD communities.
- As part of the Think Smart program, Fair Trading produced a NSW Fair Trading Think Smart Multicultural Education Strategy 2016-19 for CALD communities. The strategy outlines ways in which Fair Trading can provide tailored services to meet the needs of people from CALD backgrounds, especially refugees and humanitarian entrants.
- Fair Trading conducts extensive community engagement programs providing free information seminars to consumers and businesses throughout NSW targeting newly-arrived migrants and refugees.
- The Informed Choices program aims to educate and empower vulnerable consumers by increasing their knowledge and understanding of the marketplace so they can make informed choices when buying goods and services and entering contracts.
- Following reforms to underquoting laws, strata laws and incorporated associations laws, Fair Trading developed information resources and fact sheets to inform and help protect consumers from culturally diverse backgrounds. Such resources were translated into languages including Arabic, Chinese, Korean and Vietnamese.
- Fair Trading hosted information stalls at the Chinese Lantern Festival at Darling Harbour and the Deepavali Festival at Parramatta.
- Targeted information and education resources were produced and distributed to international students studying in NSW. In February 2017, approximately 35,000 copies of the *Consumer guide for international students* brochure were distributed to language, tertiary, high school and technical educational organisations across NSW. The guide was produced to help international students understand their consumer and renting rights while studying and living in NSW.
- Fair Trading provides language assistance to clients from culturally diverse backgrounds through the Translating and Interpreting Service and assistance from bilingual staff.

- Fair Trading uses a range of methods to seek feedback from CALD communities, including face-to-face consultation, surveys and its website.

## Service NSW

The Service NSW Multicultural Plan 2014–2017 outlines its commitment to delivering products and services to a culturally and linguistically diverse NSW.

The Multicultural Plan is divided into three streams in line with the multicultural framework: Planning and Evaluation, Capacity Building and Resourcing, and Programs and Services. Highlights of activities throughout the year include:

- the Service NSW customer flow management system offers six languages to assist customers in their visits to service centres
- the Service NSW website has introductory information and direction to translator services in eight languages
- customised communications for local customers in diverse languages to provide the latest information on how to access government services
- compliance training including culturally sensitive examples of customer service to broaden awareness
- Service NSW continues to engage in a range of community programs and activities at the local level.

In the coming year Service NSW will take the opportunity to review and update its Multicultural Plan to ensure that it remains fit for purpose and supports the organisation's policies, programs, community interactions, stakeholder engagements and that customer service delivery is effective for CALD communities.

## Workforce diversity statistics

### Trends in the representation of workforce diversity groups

Workforce Diversity Group	Benchmark/ Target	2015 <sup>1,2</sup>	2016 <sup>1,2</sup>	2017 <sup>1</sup>
Women <sup>3</sup>	50%	52.0%	54.1%	55.9%
Aboriginal People and Torres Strait Islanders <sup>4</sup>	3.3%	2.0%	1.8%	4.3%
People whose First Language Spoken as a Child was not English <sup>5</sup>	23.2%	22.0%	21.0%	19.8%
People with a Disability <sup>6</sup>	N/A	6.0%	6.5%	7.6%
People with a Disability Requiring Work-Related Adjustment <sup>6</sup>	N/A	1.8%	2.2%	1.7%

#### Notes

- 1 Statistics are based on Workforce Profile census data as at 18 June 2015, 30 June 2016, and 29 June 2017.
- 2 Workforce diversity statistics for 2015 and 2016 reflect the current composition of DFSI and may vary from those reported in previous annual reports.
- 3 The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
- 4 The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Indigenous employees in the sector is expected to reach 3.3%.

- 5 A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.
- 6 Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for People with a Disability or for People with a Disability Requiring Work-Related Adjustment.

### Trends in the distribution of workforce diversity groups

Workforce Diversity Group	Benchmark/ Target <sup>7</sup>	2015	2016	2017
Women	100	91	92	93
Aboriginal People and Torres Strait Islanders	100	84	94	98
People whose First Language Spoken as a Child was not English	100	97	98	99
People with a Disability	100	92	92	94
People with a Disability Requiring Work-Related Adjustment	100	89	86	86

- 7 A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score of less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

### Forward planning diversity and inclusion

- Develop and implement targeted strategies for three priority diversity groups: women in leadership, Aboriginal and Torres Strait Islander people, and people with a disability
- Work with Diversity Advisory Council and Employee Resource Groups to update the Diversity and Inclusion Strategy, Aboriginal Workforce Strategy, and Multicultural Policies and Services Program Plan
- Review cultural competency training offerings and the DFSI Community Language Allowance Scheme as part of efforts to increase understanding and skills in culturally inclusive practices.

## 6.8 Employment and senior executive statistics

### Employment statistics

Division	Full time equivalent (FTE) headcount over time <sup>31</sup>	
	2016 <sup>1,2</sup>	2017 <sup>1,2</sup>
Better Regulation Division <sup>14,17, 25</sup>	1,015.10	1,022.90
Government & Corporate Services <sup>14, 23,22, 25, 26, 27, 30</sup>	633.4	609.6
Government Services <sup>9, 21,22</sup>		
ICT & Digital Government <sup>7,8, 25,26</sup>	166.7	512.7
Land & Property Information <sup>25</sup>	768.2	
Mine Subsidence Board <sup>13,28</sup>	26	
NSW Fair Trading <sup>3,6,23</sup>	522	559.8
NSW Public Works <sup>27</sup>	567.5	
Office of Finance <sup>4,10</sup>		
Revenue NSW	1,355.40	1,335.70
Office of the Secretary <sup>11,19, 20, 28, 30</sup>	34.4	116.9
Property & Advisory Group <sup>12, 24, 25, 27</sup>	294.2	663.9
Safety, Return to Work & Support <sup>14</sup>		
SICorp <sup>5,12,18</sup>		
Titling & Registry Services <sup>25, 29</sup>		334.2
Workers Compensation Independent Review Office <sup>14,15</sup>	29	27
Workers Compensation Commission <sup>14,16</sup>	57.1	56.1
<b>Total</b>	<b>5,469.10</b>	<b>5,238.80</b>

#### Notes

- 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).
- 2 Statistics are based on Workforce Profile census data as at 19 June 2014, 18 June 2015, 30 June 2016 and 29 June 2017.
- 3: NSW Fair Trading now includes Professional Standards Authority from Department of Justice and Building Professional Board from Department of Planning.
- 4 Office of Finance was established in November 2011.
- 5 SICorp (41.6 FTE) transferred to the Office of Finance from Treasury on 1 July 2013.
- 6 Consumer Trading & Tenancy Tribunal staff (115.7 FTE) in NSW Fair Trading transferred to AGD on 1 January 2014.
- 7 ICT & Digital Government was renamed from Services and Digital Innovation (formally Service Innovation and Strategy) in 2016. The division was established on 1 February 2014.
- 8 ICT & Digital Government includes NSW Procurement and ICT Strategic Delivery from former Government Services.
- 9 Office of Metro Water staff (18.5 FTE) transferred from Government Services to DTIRIS on 1 May 2014.
- 10 Office of Finance was transferred to NSW Treasury on 1 July 2014; SICorp remained with the Department when the Office of Finance transferred.
- 11 Office of the Secretary was renamed from Office of the Chief Executive in July 2015.

- 12 Property & Advisory Group includes Property NSW, Teacher Housing Authority of NSW, Waste Assets Management Corporation and Sydney Harbour Foreshore Authority that transferred to Property & Housing Group on 1 July 2015.
- 13 Mine Subsidence Board transferred into the Department on 1 July 2015.
- 14 Safety, Return to Work & Support was dissolved in September 2015 with staff transferred to Better Regulation, Government & Corporate Services and icare. WorkCover Independent Review Office, Workers Compensation Commission have been split out and reported separately.
- 15 Workers Compensation Independent Review Office previously reported in Safety, Return to Work & Support which has been dissolved and was renamed from WorkCover Independent Review Officer.
- 16 Workers' Compensation Commission previously reported in Safety, Return to Work & Support which has been dissolved.
- 17 Better Regulation was established in September 2015.
- 18 SICorp transferred to icare in September 2015.
- 19 Office the Secretary staff from Ministerial Services and Corporate Affairs transferred to Corporate Services in November 2015.
- 20 Office of the Secretary now includes the Change Management Office that transferred from Government and Corporate Services June 2016. Central Policy Office and Strategic Program & Performance Management Office were newly created branches in December 2015.
- 21 Government & Corporate Services was renamed from Corporate Services in January 2016.
- 22 Government Services staff from ServiceFirst, State Records Authority and StateFleet transferred to Government and Corporate Services in January 2016.
- 23 NSW Fair Trading staff from the Contact Centre and Licensing transferred to Better Regulation in February 2016.
- 24 Property & Advisory Group was renamed from Property & Housing Group in July 2016.
- 25 Land and Property Information was dissolved in July 2016 with staff transferred to Better Regulation Division, Government & Corporate Services, ICT & Digital Information, Property & Advisory Group and Titling and Registry Services.
- 26 State Archives and Records Authority transferred to ICT & Digital Government in July 2016.
- 27 NSW Public Works was dissolved in August 2016 with staff transferred to Government & Corporate Services, Property & Advisory Group or the private sector.
- 28 From 2017, Mine Subsidence Board numbers are reported under the Office of the Secretary.
- 29 Titling & Registry Services was created in October 2016.
- 30 Ministerial Services staff transferred from Government & Corporate Services to the Office of the Secretary in March 2017.
- 31 The FTE equivalent headcount is the total employee headcount based on the number of hours a person works where a full time employee is equal to 1 FTE.

Adjusting for machinery of government changes there has been a 4.2% decrease in FTE in the Department over the last 12 months and a 13.9% decrease over the last three years.



## Senior Executive Statistics

Senior Executive Band	2016 <sup>1,2,3,4</sup>				2017 <sup>1,2,5</sup>			
	Female	Male	Total	% Representation by Women	Female	Male	Total	% Representation by Women
Band 4 (Secretary)		1	1	0%	0	1	1	0%
Band 3 (Deputy Secretary)	0	9	9	0%	1	5	6	16.7%
Band 2 (Executive Director)	12	29	41	29%	13	30	43	30.2%
Band 1 (Director)	88	147	235	37%	77	106	183	42.1%
Total	100	186	286	35%	91	142	233	39.1%

Senior Executive Band	2016 <sup>6</sup>		2017 <sup>6</sup>	
	Range \$	Average Remuneration \$	Range \$	Average Remuneration \$
Band 4 (Secretary)	441,201-509,750	495,000	452,250-522,500	507,350
Band 3 (Deputy Secretary)	313,051-441,200	376,183	320,901-452,250	414,823
Band 2 (Executive Director)	248,851-313,050	270,665	255,051-320,900	282,563
Band 1 (Director)	174,500-248,850	181,423	178,850-255,050	206,045

### Notes

- 1 Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.
- 2 Statistics are based on Workforce Profile census data as at 30 June 2016 and 29 June 2017.
- 3 2016 total excludes SICorp and former Safety, Return to Work & Support executives who transferred to icare on September 2015
- 4 2016 total includes Better Regulation Division Team Managers.
- 5 All employees reported in 2017 are appointed under the *Government Sector Employment Act*.
- 6 Salary ranges effective at the Workforce Profile census dates of 30 June 2016 and 29 June 2017.

In 2017, 10.2 per cent DFSI's employee-related expenditure were for senior executives, compared to 11.40 per cent in 2016.

## 6.9 Employment relations policies and practices

### DFSI Positive and Productive Workplace Policy

DFSI's Positive and Productive Workplace Policy outlines the ways in which conflict and grievances can be managed in the workplace and applies to all employees across the cluster, including temporary

employees, contractors, consultants and board members. This policy replaced all current grievance management policies.

### Consultative forums

Throughout 2016-17, the Joint Consultative Committees established in the previous year met to collaboratively discuss industrial disputes, concerns and other matters impacting DFSI personnel as a result of change management programs. The forum has been successful in identifying points of contention early and devising reasonable solutions to organisational issues.

### Salaries, wages and allowances

DFSI applied the NSW Wages Policy for wage negotiations, which resulted in wage increases of 2.5 per cent.

### NSW Industrial Relations Commission

The following types of matters were dealt with at the NSW Industrial Relations Commission:

Award matters	0
Unfair dismissal	3 (1 closed, 2 open)
General disputes	4 (3 closed, 1 open)

The general disputes related to the new flexible work hours agreement and the various restructure programs underway across DFSI.

## 6.10 Funds granted to non-government community organisations

During the 2016-17 financial year, Fair Trading administered grants to:

- Aged Care Supported Accommodation Service
- Home Building Advocacy Service (HoBAS)
- STRATA Collective Sales Advocacy Service (STRATA)
- Tenants' Advice and Advocacy Program (TAAP)
- Financial Counselling Services Program (FCSP)
- No Interest Loans Scheme (NILS).

### The Aged Care Supported Accommodation Service

The Seniors Rights Service, funded under the Aged Care Supported Accommodation Program provides advocacy, information and education services for older residents in supported accommodation, such as retirement villages, nursing homes, hostels and boarding houses. Funding for 2016-17 was \$497,188.33 (plus GST).

Funding is sourced from the Rental Bond Board Interest Account (100%).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Seniors Rights Service Inc	Seniors Rights Service (SRS)	\$497,188.33	Statewide – All NSW
<b>Total</b>		<b>\$497,188.33</b>	

## Home Building Advice and Advocacy Service (HoBAS)

Fair Trading funds Macquarie Legal Centre to provide advice and assistance to NSW residential home building consumers on their rights and responsibilities including advocacy services, negotiation of disputes between consumers and builders, assistance to prepare cases for NCAT hearings and representation at hearings when appropriate. Funding for 2016-17 was \$259,407.18 (plus GST).

Funding is sourced from Fair Trading's revenue (100 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Macquarie Legal Centre	Home Building Advocacy Service (HoBAS)	\$259,407.18	Statewide – All NSW
<b>Total</b>		<b>\$259,407.18</b>	

## STRATA Collective Sales Advocacy Service

STRATA is funded to provide legal advice, advocacy services, and assist or represent targeted NSW strata residential consumers before the NSW Civil and Administrative Tribunal (NCAT) and the Land and Environment Court (the court) regarding the strata schemes collective sales and renewals scheme in the *Strata Schemes Development Act 2015*. Funding for 2016-17 was \$400,000.00 (plus GST).

Funding is sourced from NSW Fair Trading (50 per cent) and LPI (50 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Seniors Rights Service Inc	Seniors Rights Service (SRS)	\$200,000.00	Statewide – All NSW
Marrickville Legal Centre	Marrickville Legal Centre	\$200,000.00	
<b>Total</b>		<b>\$400,000.00</b>	

## Tenants' Advice and Advocacy Program

This program is fully funded by Fair Trading. The program delivers advocacy, information and education services for tenants. Funding for 2016-17 was \$10,340,453.28 (plus GST).

Funding is sourced from the Rental Bond Board Interest Account (50 per cent) and the Property Services Statutory Interest Account (50 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Inner Sydney Tenants Advice & Advocacy Service (ISTAAS)	Redfern Legal Centre	\$428,279.40	Inner Sydney
Eastern Area Tenants Service Inc (EATS)	Eastern Area Tenants Service Incorporated	\$321,209.55	Eastern Sydney
Inner West Tenants Advice and Advocacy Service (IWTAAAS)	Marrickville Legal Centre	\$321,209.55	Inner-Western Sydney
Northern Sydney Area Tenants Service (NSATS)	Marrickville Legal Centre	\$428,279.40	Northern Sydney
Southern Sydney Tenants Advice & Advocacy Service (SSTAAS)	Metro Assist	\$481,814.33	Southern Sydney
South West Sydney Tenants Advice and Advocacy Service (SWSTAAS)	Macarthur Legal Centre	\$428,279.40	South Western Sydney

<b>Auspice/Funded organisation</b>	<b>Purpose/Service</b>	<b>Annual funding</b>	<b>LGA</b>
Blue Mountains Tenants Service	Elizabeth Evatt Community Legal Centre	\$107,069.85	Blue Mountains
Western & North Western Tenants Service	Macquarie Legal Centre	\$695,954.03	Western & North Western Sydney
Central Coast Tenants Advice and Advocacy Service (CCTAAS)	Central Coast Tenants Advice and Advocacy Service Inc	\$321,209.55	Central Coast
Hunter Tenants Advice & Advocacy Service (HTAAS)	Hunter Regional Neighbourhood Centre Forum Inc	\$490,644.83	Hunter Region
Illawarra Tenants Service	Illawarra Legal Centre	\$383,574.98	Illawarra/South Coast
Mid Coast Tenants Advice and Advocacy Service	Port Macquarie Neighbourhood Centre Inc	\$330,040.05	Mid North Coast
Northern Rivers Tenants Advice and Advocacy Service (NORTAAS)	Northern Rivers Community Legal Centre Inc	\$330,040.05	Far North Coast
South Western NSW Tenants Service	VERTO LTD	\$884,154.13	South Western NSW
New England and Western Tenants Advice and Advocacy Service (NEWTAAS)	New England and Western Tenants Advice and Advocacy Service Incorporated	\$509,409.65	North Western NSW
Greater Sydney Aboriginal Tenants Service (GSATS)	Dtarawarra Pty Ltd	\$460,909.19	Greater Sydney ATSI
Murra Mia Tenants Advice and Advocacy Service	Management and Advisory Services Aboriginal Corporation	\$665,047.27	South Eastern NSW ATSI
Northern NSW Aboriginal Tenants Advice and Advocacy Service (NATAAS)	Northern NSW Aboriginal Tenants Advice and Advocacy Service Inc	\$607,097.09	Northern NSW ATSI
Western Aboriginal Tenants Advice and Advocacy Service (WATAAS)	Dtarawarra Pty Ltd	\$592,289.84	Western NSW ATSI
Statewide Tenants Advice & Advocacy Program Resource Service	Tenants Union of NSW Co-operative Limited	\$1,247,154.03	Statewide TAAP Resource Service
Aboriginal Resource Unit (ARU)	Dtarawarra Pty Ltd	\$189,185.80	ATSI Resource Service
TAAP Special Purpose Fund	Unforeseen expenditure which is directly linked to the provision of service of tenants	\$117,601.30	
<b>Total</b>		<b>\$10,340,453.28</b>	

## Financial Counselling Services Program

The Financial Counselling Services Program provides free-of-charge financial counselling by accredited counsellors. Funding for 2016-17 was \$6,850,086.13 (plus GST)

Funding is sourced from the Rental Bond Board Interest (53 per cent), Financial Counselling Trust Fund (24 per cent) and Fair Trading (23 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare South Western Sydney Financial Counselling Service	\$599,301.27	South Western Sydney
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Southern Sydney Financial Counselling Service	\$320,971.46	Southern Sydney
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Western Sydney Financial Counselling Service	\$638,346.17	Western Sydney
Wesley Mission – Wesley Credit Line Financial Counselling	Wesley Mission Credit Line Financial Counselling Services North Western Sydney	\$382,040.35	North Western Sydney
Centacare Catholic Family Services, Diocese of Broken Bay	Centacare Broken Bay Northern Sydney Financial Counselling Service	\$273,416.11	Northern Sydney
Metro Assist	Inner Western Sydney Financial Counselling Service	\$307,952.34	Inner Western Sydney
Wesley Mission – Wesley Credit Line Financial Counselling	Wesley Mission Credit Line Financial Counselling Services Inner Sydney	\$292,438.48	Inner Sydney
Lismore & District Financial Counselling Services Inc	Far North Coast Region Financial Counselling Network	\$267,495.45	Far North Coast
Kempsey Neighbourhood Centre	Mid North Coast Region Financial Counselling Service	\$389,928.53	Mid North Coast
Financial Counselling Hunter Valley Project Inc	Lower Hunter Region Financial Counselling Service	\$475,244.63	Newcastle/Lower Hunter
Financial Counselling Hunter Valley Project Inc	Upper Hunter Region Financial Counselling Service	\$99,296.91	Upper Hunter
Gosford City & Community Information Service Ltd	Central Coast Region Financial Counselling Service	\$235,371.38	Central Coast
Illawarra Legal Centre Inc	Illawarra Region Financial Counselling Service	\$280,419.53	Illawarra
Eurobodalla Family Support Service Inc	Far South Coast Region Financial Counselling Service	\$64,172.34	Far South Coast
Anglicare Regional Alliance	Anglicare Riverina Lower South Western Regional Financial Counselling Service	\$144,756.89	Lower South Western

<b>Auspice/Funded organisation</b>	<b>Purpose/Service</b>	<b>Annual funding</b>	<b>LGA</b>
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Goulburn Region Financial Counselling Service	\$104,711.83	Goulburn
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Murray Region Financial Counselling Service	\$65,172.51	Murray
Lifeline Central West Inc	Lifeline Dubbo/Mid West Region Financial Counselling Service	\$78,686.05	Dubbo/Mid West
Lifeline Central West Inc	Lifeline Central West Region Financial Counselling Service	\$105,217.57	Central West
Centacare Wilcannia-Forbes	Centacare Forbes and Parkes Region Financial Counselling Service	\$50,116.86	Parkes/Forbes
Lifeline Broken Hill Inc	Lifeline Broken Hill Region Financial Counselling Service	\$74,442.13	Broken Hill
Centacare Wilcannia-Forbes	Centacare Far West Region Financial Counselling Service	\$74,442.13	Far West
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Tamworth/Northern Plains Region Financial Counselling Service	\$98,708.58	Tamworth/Northern Plains
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Armidale Region Financial Counselling Service	\$50,116.86	Armidale
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Campbelltown Aboriginal and Torres Strait Islander Financial Counselling Service	\$20,772.65	Campbelltown
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Penrith Aboriginal and Torres Strait Islander Financial Counselling Service	\$41,545.31	Penrith
Muru Mittigar Ltd	Muru Mittigar Community Finance Hub Blacktown Aboriginal and Torres Strait Islander Financial Counselling Service	\$62,317.96	Blacktown
Financial Counselling Hunter Valley Project Inc	Newcastle Aboriginal and Torres Strait Islander Financial Counselling Service	\$41,545.31	Newcastle
Illawarra Legal Centre Inc	Illawarra Aboriginal and Torres Strait Islander Financial Counselling Service	\$20,722.65	Illawarra
Lifeline Central West Inc	Lifeline Dubbo Aboriginal and Torres Strait Islander Financial Counselling Service	\$62,317.96	Dubbo

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Lifeline Broken Hill Inc	Lifeline Broken Hill Aboriginal and Torres Strait Islander Financial Counselling Service	\$20,772.65	Broken Hill
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Moree Aboriginal and Torres Strait Islander Financial Counselling Service	\$20,772.65	Moree
The Salvation Army (New South Wales) Property Trust	The Salvation Army Moneycare Tamworth Aboriginal and Torres Strait Islander Financial Counselling Service	\$20,772.65	Tamworth
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre – Hotline	\$404,657.20	All NSW
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre – Legal Service	\$329,273.73	All NSW
Financial Counsellors Association of NSW (FCAN)	Financial Counsellors' Association of NSW – Indigenous Training Course	\$48,261.35	All NSW
Financial Counsellors Association of NSW (FCAN)	State-Wide Financial Counsellor Training Program	\$120,654.50	All NSW
Financial Counsellors Association of NSW (FCAN)	Executive Officer Position: Manager - Administration	\$162,883.18	All NSW
<b>Total</b>		<b>\$6,850,086.13</b>	

## No Interest Loan Scheme (NILS)

The NILS is a nationally-operated, community-based program to help low-income earners buy essential household items and services, such as washing machines, refrigerators or dental services.

Good Shepherd Microfinance Victoria operates the scheme, with capital provided by the National Australia Bank.

Fair Trading provides funding toward salaries and salary-related on-costs associated with the operation of NILS in NSW

Fair Trading also funds the salary and operational costs of a 1800 phone number and a NSW Coordinator to assist in setting up, supporting and expanding new and existing NILS services.

Funding for 2016-17 was \$2,476,499.97 (plus GST)

Funding is sourced from the Rental Bond Board Interest Account (90 per cent) and Fair Trading revenue (10 per cent).

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Anglicare Western Sydney NILS	Sydney Anglican Home Mission Society Council (t/as Anglicare Diocese of Sydney)	\$57,142.28	Blacktown, Penrith & Hawkesbury
Muru Mittigar NILS Loans Scheme	Muru Mittigar Ltd	\$49,999.50	Penrith

<b>Auspice/Funded organisation</b>	<b>Purpose/Service</b>	<b>Annual funding</b>	<b>LGA</b>
Bridging the Gap Sydney West Inc NILS Loans Scheme	Bridging the Gap Sydney West Inc	\$14,285.57	St Marys
Macarthur NILS	Presentation Sisters Wagga	\$99,998.99	Campbelltown, Camden & Wollondilly
St Vincent de Paul Northern Beaches NILS	St Vincent de Paul Society NSW	\$28,571.14	Manly, Warringah & Pittwater
NILS® Northern Sydney (St Ives)	St Vincent de Paul Society NSW	\$21,428.36	Willoughby, Ku- ring-Gai, Lane Cove, Hornsby, Ryde
Newcastle NILS	St Vincent de Paul Society NSW	\$14,285.57	Newcastle, Shortland, Callaghan, Taro
St Vincent de Paul Society NILS – Wagga Wagga	St Vincent de Paul Society NSW	\$42,856.71	Wagga Wagga
North West NILS	The Hills Community Aid and Information Service Inc	\$35,713.93	Hornsby, Parramatta Blacktown, Baulkham Hills, Hawkesbury
North West NILS – Riverstone Outreach	The Hills Community Aid and Information Service Inc	\$7,142.78	Blacktown, Baulkham Hills, Hawkesbury
North West NILS – Toongabbie Outreach	The Hills Community Aid and Information Service Inc	\$7,142.78	Parramatta & Blacktown
Fairfield NILS	The Parks Community Network Inc.	\$49,999.50	Fairfield, Holroyd, Bankstown
Hope Connect NILS	Hope Connect Incorporated	\$49,999.50	Parramatta LGA & part Holroyd (East Merrylands & East Guildford)
Break the Cycle NILS	Break the Cycle No Interest Loans Scheme Inc.	\$28,571.14	Glenfield, Macquarie Fields
C3CS Ltd	C 3 Community Services Ltd – C3CS NILS	\$42,856.71	Campbelltown, Camden & Wollondilly
Macarthur Diversity Services NILS	Macarthur Diversity Services Initiative Ltd	\$42,856.71	Campbelltown, Camden & Wollondilly
Inspire NILS	Inspire Community Services Incorporated	\$35,713.93	Liverpool



<b>Auspice/Funded organisation</b>	<b>Purpose/Service</b>	<b>Annual funding</b>	<b>LGA</b>
Jubilee Resources NILS	Uniting Church in Australia	\$42,856.71	Botany, Randwick, Waverley, Woollahra, City of Sydney
Metro Assist NILS	Metro Assist	\$21,428.36	Canterbury, Strathfield, Burwood
Marrickville NILS	Marrickville Community Training Centre Inc	\$28,571.14	Marrickville (South & North), Dulwich Hill, Lewisham, Petersham, St Peters, Stanmore, Sydenham, Tempe, Enmore, Rockdale, parts of Newtown and Camperdown (Also 2008, 2016-2017, 2038, 2040, 2042-2044, 2048-2050, 2130, 2131, 2203, 2204)
Hunter Region NILS	Hunter Region No Interest Loans Scheme Inc.	\$107,141.78	Newcastle, Lake Macquarie, Maitland, Cessnock, Singleton, Muswellbrook, Gloucester, Upper Hunter, Port Stephens, Greater Taree, Great Lakes, Dungog
Manning NILS (Taree and Gloucester)	Manning Support Services Inc.	\$57,142.28	Greater Taree, Great Lakes, Gloucester
Great Lakes NILS	Forster Neighbourhood Centre Inc.	\$42,856.71	Great Lakes
The Bellingen Neighbourhood Centre NILS	Bellingen Neighbourhood Centre Inc.	\$28,571.14	Bellingen
Macleay Valley NILS	Kempsey Neighbourhood Centre Inc.	\$42,856.71	Kempsey
Hastings NILS	Manning Support Services Inc.	\$42,856.71	Hastings
Nambucca Valley NILS	Lifetime Connect Inc.	\$14,285.57	Nambucca Shire
Nambucca Valley Inc NILS – Coffs Harbour Outreach	Lifetime Connect Inc.	\$42,856.71	Coffs Harbour
Anglicare Shoalhaven NILS	Sydney Anglican Home Mission Society Council	\$28,571.14	Shoalhaven

<b>Auspice/Funded organisation</b>	<b>Purpose/Service</b>	<b>Annual funding</b>	<b>LGA</b>
BaptistCare NILS – Newcastle	BaptistCare NSW & ACT	\$42,856.71	Newcastle, Lake Macquarie, Port Stephens and Maitland
BaptistCare NILS – Warilla	BaptistCare NSW & ACT	\$42,856.71	Shellharbour, Albion Park, Barrack Heights, Lake Illawarra, Warilla, Mt Warrigal, Windang, Oak Flats, Flinders, Blackbutt, Shellharbour
BaptistCare NILS – Broken Hill & Wilcannia	BaptistCare NSW & ACT	\$42,856.71	Broken Hill, Wilcannia, Central Darling
BaptistCare NILS – Sutherland	BaptistCare NSW & ACT	\$28,571.14	Sutherland
Community Loan Scheme – Southern NILS Program	Our Community Project Inc. (Previously Port Kembla Community Project Inc.)	\$71,427.85	Wollongong
NICCI NILS	Northern Illawarra Community Connection Inc	\$57,142.28	Wollongong and Sutherland
Highlands Community Centre NILS	Highlands Community Centres Inc.	\$35,713.93	Wingecarribee, Mulwaree
Northern Rivers NILS	Lismore Neighbourhood Centre Inc	\$71,427.85	Richmond Valley, Lismore, Kyogle, Tweed, Ballina
Wyong Shire NILS	Toukley Neighbourhood Centre Inc.	\$49,999.50	Wyong
Winmalee Neighbourhood Centre NILS	Winmalee Neighbourhood Centre Inc	\$21,428.36	Blue Mountains City (2776 & 2777)
Mid Mountains NILS	Mid Mountains Neighbourhood Centre Inc.	\$21,428.36	Blue Mountains
Blackheath Area Neighbourhood Centre NILS	Blackheath Area Neighbourhood Centre Inc.	\$42,856.71	Blue Mountains & Greater Lithgow
Gosford City NILS	Gosford City Community Information Service Ltd	\$42,856.71	Outer Gosford & Surrounds
Coast Shelter NILS	Central Coast Emergency Accommodation Services Ltd (Coast Shelter)	\$35,713.93	Gosford City
Armidale Neighbourhood Centre NILS	Armidale Neighbourhood Centre Inc	\$28,571.14	Armidale, Dumaresq, Uralla, Guyra, Walcha

Auspice/Funded organisation	Purpose/Service	Annual funding	LGA
Anglicare Goulburn NILS	Anglicare NSW South, NSW West & ACT	\$14,285.57	Goulburn
Anglicare Eurobodalla NILS	Anglicare NSW South, NSW West & ACT	\$14,285.57	Eurobodalla
Anglicare Bega Valley NILS	Anglicare NSW South, NSW West & ACT	\$21,428.36	Bega Valley Shire
Anglicare Western NSW Orange NILS	Anglicare NSW South, NSW West & ACT	\$42,856.71	Orange, Mithorpe
Anglicare Western NSW Gilgandra NILS	Anglicare NSW South, NSW West & ACT	\$28,571.14	Gilgandra, Coonamble
Western NSW Forbes NILS	Anglicare NSW South, NSW West & ACT	\$28,571.14	Forbes
Western NSW Mudgee NILS	Anglicare NSW South, NSW West & ACT	\$28,571.14	Mudgee, Kandos, Rylstone
Lithgow NILS	The Josephite Foundation	\$28,571.14	Lithgow
Bathurst NILS	The Josephite Foundation	\$35,713.93	Bathurst, Blayney, Oberon
Cowra NILS	The Josephite Foundation	\$28,571.14	Cowra & Cabonne
Young NILS	The Josephite Foundation	\$28,571.14	Young, Boorowa, Cootamundra, Harden, Temora and Weddin
Global Care NILS – Dubbo	Local Global Care – Dubbo	\$71,427.85	Dubbo, Walgett, Lightning Ridge, Bourke, Brewarrina, Collarenebri
Wiradjuri NILS	Wiradjuri Aboriginal Corporation	\$21,428.36	Wagga Wagga
St Lukes Albury NILS	Anglicare Victoria	\$28,571.14	
Salvos NILS – Inverell	The Salvation Army (NSW) Property Trust	\$28,571.4	Inverell
Salvos NILS – Gunnedah & Tamworth	The Salvation Army (NSW) Property Trust	\$35,713.93	Tamworth, Gunnedah
Salvos NILS – Moree	The Salvation Army (NSW) Property Trust	\$21,428.36	Moree
NSW NILS State Coordinator	Northern Rivers Community Gateway	\$113,936.95	All NSW
NSW NILS 1800 Freecall Service – 1800 50 9994	Winmalee Neighbourhood Centre Inc. (1800 Freecall Service)	\$91,157.34	All NSW
<b>Total</b>		<b>\$2,476,499.97</b>	

## 6.11 Government Information (Public Access) statistics

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During the year 1,074 access applications were received, including withdrawn applications but not including invalid applications.

There were 17 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.

These figures are from the following DFSI divisions:

- Office of the Secretary
- Government and Corporate Services
- ICT and Digital Government (except the State Archives and Records Authority of New South Wales, which produces its own annual report and reports separately)
- Revenue NSW
- Land and Property Information
- NSW Public Works
- NSW Fair Trading
- Property and Advisory Group
- Better Regulation Division (except the State Insurance Regulatory Authority, which produces its own annual report and reports separately).

Please note: These figures include 826 applications regarding information held by SafeWork NSW that were processed by a dedicated Right to Information Unit in the Better Regulation Division.

**Table A: Number of applications by type of applicant and outcome\***

Applicant	Access granted in full	Access granted in part	Access refused in full	Info not held	Info already available	Refuse to deal with app	Refuse to confirm/deny info held	App withdrawn
Media	5	38	0	3	0	1	0	1
Members of Parliament	20	15	1	11	1	3	0	4
Private sector business	24	74	25	13	1	0	1	8
Not-for-profit organisations or community groups	2	7	2	1	1	0	0	0
Members of the public (application by legal representative)	23	492	31	53	7	0	0	11
Members of the public (other)	87	64	8	15	5	2	1	16

\*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 applicant and outcome**

Applicant	Access granted in full	Access granted in part	Access refused in full	Info not held	Info already available	Refuse to deal with app	Refuse to confirm/deny info held	App withdrawn
Personal information applications*	20	19	2	2	0	2	0	9
Access applications (other than personal information applications)	92	625	57	80	13	4	1	22
Access applications that are partly personal information applications and partly other	53	48	7	14	2	0	1	9

\*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	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	81
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	81
Invalid applications that subsequently became valid applications	66

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

Reason	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	9
Executive Council information	0
Contempt	2
Legal professional privilege	164
Excluded information	2
Documents affecting law enforcement and public safety	22
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

**Table E: Other public interest considerations against disclosure: matters listed in table to section 14**

Reason	Number of times application not successful
Responsible and effective government	383
Law enforcement and security	9
Individual rights, judicial processes and natural justice	366
Business interests of agencies and other persons	445
Environment, culture, economy and general matters	0
Secrecy provisions	79
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	920
Decided after 35 days (by agreement with applicant)	119
Not decided within time (deemed refusal)	5
Total	1044

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

Review type	Decision varied	Decision upheld	Total
Internal review	7	5	12
Review by Information Commissioner*	10	8	18
Internal review following recommendation under section 93 of Act	4	2	6
Review by Administrative Decisions Tribunal	1	4	5
Total	22	19	41

\*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)**

Applicant	Number of applications for review
Applications by access applicants	37
Applications by persons to whom information the subject of access applications relates (see section 54 of the Act)	4

**Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)**

Type of transfer	Number of applications for review
Agency-initiated transfers	19
Applicant-initiated transfers	1

## 6.12 Land disposal

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No properties with a value greater than \$5 million were disposed of during 2016-17.

No properties were disposed of where there was a business or family connection between the purchaser and the approving person.

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*.

## 6.13 Legislation administered

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DFSI administered the following Acts on behalf of the **Minister for Finance, Services and Property** for the 2016-17 financial year:

- *Access to Neighbouring Land Act 2000* [No 2](#)
- *Associated General Contractors Insurance Company Limited Act 1980* [No 38](#)
- *Betting Tax Act 2001* [No 43](#), (jointly with the Treasurer)
- *Bishopsgate Insurance Australia Limited Act 1983* [No 81](#)
- *Border Railways Act 1922* [No 16](#)
- *Commonwealth Places (Mirror Taxes Administration) Act 1998* [No 100](#)
- *Community Land Development Act 1989* [No 201](#)
- *Contractors Debts Act 1997* [No 110](#)
- *Conveyancing Act 1919* [No 6](#)
- *Conveyancing and Law of Property Act 1898* [No 17](#)
- *Crown Lands Act 1989* [No 6](#), so far as it relates to the Luna Park Reserve (within the meaning of the *Luna Park Site Act 1990*), jointly with the Minister for Innovation and Better Regulation (remainder, parts, the Premier, the Minister for Lands and Forestry and the Minister for Sport)
- *Data Sharing (Government Sector) Act 2015* [No 60](#)
- *Duties Act 1997* [No 123](#) (jointly with the Treasurer)
- *Electronic Conveyancing (Adoption of National Law) Act 2012* [No 88](#)
- *Encroachment of Buildings Act 1922* [No 23](#)
- *Fines Act 1996* [No 99](#) (except parts, the Attorney General)
- *First Home Owner Grant (New Homes) Act 2000* [No 21](#)
- *Gaming Machine Tax Act 2001* [No 72](#), Part 3, jointly with the Treasurer (remainder, jointly with the Treasurer and the Minister for Racing, except Part 4 and Schedule 1, the Minister for Racing)
- *Geographical Names Act 1966* [No 13](#)
- *Government Insurance Office (Privatisation) Act 1991*, [No 38](#), sections 26 and 27, jointly with the Treasurer (remainder, the Treasurer) (which is now within the portfolio responsibility of the Minister for Innovation and Better Regulation and the Attorney General only)
- *Government Telecommunications Act 1991* [No 77](#)
- *Health Insurance Levies Act 1982* [No 159](#) (jointly with the Treasurer)



- *Home Building Act 1989* [No 147](#), Part 6 (remainder, the Treasurer and the Minister for Innovation and Better Regulation)
- *Insurance Protection Tax Act 2001* [No 40](#), (jointly with the Treasurer)
- *Land Acquisition (Just Terms Compensation) Act 1991* [No 22](#)
- *Land Sales Act 1964* [No 12](#)
- *Land Tax Act 1956* [No 27](#), (jointly with the Treasurer)
- *Land Tax Management Act 1956* [No 26](#), (jointly with the Treasurer)
- *Loan Fund Companies Act 1976* [No 94](#)
- *Luna Park Site Act 1990* [No 59](#), (jointly with the Minister for Innovation and Better Regulation)
- *Mine Subsidence Compensation Act 1961* [No 22](#)
- *Motor Accident Injuries Act 2017* [No 10](#)
- *Motor Accidents Act 1988* [No 102](#)
- *Motor Accidents Compensation Act 1999* [No 41](#)
- *Motor Vehicles (Third Party Insurance) Act 1942* [No 15](#)
- *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 Innovation and Better Regulation (remainder, the Attorney General) (which is now within the portfolio responsibility of the Minister for Innovation and Better Regulation and the Attorney General only)
- *Payroll Tax Act 2007* [No 21](#), (jointly with the Treasurer)
- *Payroll Tax Deferral (BlueScope Steel) Act 2015* [No 68](#), (jointly with the Treasurer)
- *Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011* [No 19](#)
- *Perpetuities Act 1984* [No 43](#)
- *Personal Property Securities (Commonwealth Powers) Act 2009* [No 35](#), Division 2 of Part 2 of Schedule 1 and clause 24 of Schedule 1, jointly with the Attorney General and the Minister for Innovation and Better Regulation (remainder, the Attorney General) (which is now within the portfolio responsibility of the Minister for Innovation and Better Regulation and the Attorney General only)
- *Place Management NSW Act 1998* [No 170](#) (previously known as the *Sydney Harbour Foreshore Authority Act 1998* until 25 October 2016)
- *Powers of Attorney Act 2003* [No 53](#)
- *Property NSW Act 2006* [No 40](#) (previously known as the *Government Property NSW Act 2006* until 25 October 2016)
- *Public Works and Procurement Act 1912* [No 45](#) (except section 34 (3) and (4), the Minister for Regional Water)
- *Real Property Act 1900* [No 25](#)
- *Regional Relocation Grants (Skills Incentive) Act 2011* [No 26](#) (except section 26A, the Minister for Regional New South Wales)
- *Service NSW (One-stop Access to Government Services) Act 2013* [No 39](#)
- *Small Business Grants (Employment Incentive) Act 2015* [No 14](#)

- *Sporting Injuries Insurance Act 1978* [No 141](#) (which is now within the portfolio responsibility of the Treasurer)
- *State Insurance and Care Governance Act 2015* [No 19](#) (except parts, the Treasurer)
- *State Records Act 1998* [No 17](#)
- *Strata Schemes Development Act 2015* [No 51](#) (except Part 10 and Schedule 7, jointly with the Minister for Innovation and Better Regulation)
- *Strata Schemes (Freehold Development) Act 1973* [No 68](#) (which has been repealed effective from 30 November 2016)
- *Strata Schemes (Leasehold Development) Act 1986* [No 219](#) (which has been repealed effective from 30 November 2016)
- *Surveying and Spatial Information Act 2002* [No 83](#) (except parts, the Minister for Innovation and Better Regulation)
- *Taxation Administration Act 1996* [No 97](#), jointly with the Treasurer
- *Teacher Housing Authority Act 1975* [No 27](#)
- *Trades Hall (Transfer of Land) Act 1970* [No 54](#)
- *Transfer of Records Act 1923* [No 14](#) (which has been repealed effective from 5 November 2016)
- *Unclaimed Money Act 1995* [No 75](#)
- *Valuation of Land Act 1916* [No 2](#)
- *Voluntary Workers (Soldiers' Holdings) Act 1917* [No 25](#)
- *Workers Compensation Act 1987* [No 70](#) (except Part 4 and Division 1A of Part 7, the Treasurer)
- *Workplace Injury Management and Workers Compensation Act 1998* [No 86](#) (except parts, the Attorney General)
- *Workers Compensation (Bush Fire, Emergency and Rescue Services) Act 1987* [No 83](#) (which is now within the portfolio responsibility of the Treasurer)
- *Workers' Compensation (Dust Diseases) Act 1942* [No 14](#) (which is now within the portfolio responsibility of the Treasurer)

DFSI administered the following Acts on behalf of the **Minister for Innovation and Better Regulation** for the 2016-17 financial year:

- *Agricultural Tenancies Act 1990* [No 64](#)
- *Architects Act 2003* [No 89](#)
- *Associations Incorporation Act 2009* [No 7](#)
- *Biofuels Act 2007* [No 23](#)
- *Bishopsgate Insurance Australia Limited Act 1983* [No 81](#) (which now falls within the portfolio responsibility of the Minister for Finance, Services and Property)
- *Boarding Houses Act 2012* [No 74](#) (except parts, jointly with the Minister for Family and Community Services and parts, the Minister for Family and Community Services)
- *Building and Construction Industry Security of Payment Act 1999* [No 46](#)
- *Building Professionals Act 2005* [No 115](#)
- *Business Names (Commonwealth Powers) Act 2011* [No 44](#)
- *Charitable Fundraising Act 1991* [No 69](#)

- *Community Land Management Act 1989* [No 202](#)
- *Contracts Review Act 1980* [No 16](#)
- *Conveyancers Licensing Act 2003* [No 3](#)
- *Co-operative Housing and Starr-Bowkett Societies Act 1998* [No 11](#)
- *Co-operatives (Adoption of National Law) Act 2012* [No 29](#)
- *Credit (Commonwealth Powers) Act 2010* [No 6](#)
- *Crown Lands Act 1989* [No 6](#), so far as it relates to the Luna Park Reserve (within the meaning of the *Luna Park Site Act 1990*), jointly with the Minister for Finance, Services and Property (remainder, parts, the Premier, the Minister for Lands and Forestry and the Minister for Sport)
- *Dangerous Goods (Road and Rail Transport) Act 2008* [No 95](#) (except parts, the Minister for the Environment)
- *Data Sharing (Government Sector) Act 2015* [No 60](#) (which now falls within the portfolio responsibility of the Minister for Finance, Services and Property)
- *Electricity (Consumer Safety) Act 2004* [No 4](#)
- *Explosives Act 2003* [No 39](#)
- *Fair Trading Act 1987* [No 68](#)
- *Funeral Funds Act 1979* [No 106](#)
- *Gas Supply Act 1996* [No 38](#), section 83A (remainder, the Minister for Energy and Utilities)
- *Government Insurance Office (Privatisation) Act 1991* [No 38](#), sections 26 and 27, jointly with the Treasurer (remainder, the Treasurer)
- *Hairdressers Act 2003* [No 62](#)
- *Holiday Parks (Long-term Casual Occupation) Act 2002* [No 88](#)
- *Home Building Act 1989* [No 147](#) (except Part 6A, the Treasurer and Part 6, the Minister for Finance, Services and Property)
- *Innkeepers Act 1968* [No 24](#)
- *Landlord and Tenant Act 1899* [No 18](#)
- *Landlord and Tenant (Amendment) Act 1948* [No 25](#)
- *Luna Park Site Act 1990* [No 59](#), (jointly with the Minister for Finance, Services and Property)
- *Motor Dealers and Repairers Act 2013* [No 107](#)
- *Mutual Recognition (Automatic Licensed Occupations Recognition) Act 2014* [No 51](#)
- *NSW Self Insurance Corporation Act 2004* [No 106](#) (which now falls within the portfolio responsibility of the Treasurer)
- *Partnership Act 1892* [55 Vic No 12](#), so far as it relates to the functions of the Registrar of the register of limited partnerships and incorporated limited partnerships and to the setting of fees to be charged for maintaining that register, jointly with the Attorney General (remainder, the Attorney General)
- *Pawnbrokers and Second-hand Dealers Act 1996* [No 13](#)
- *Personal Property Securities (Commonwealth Powers) Act 2009* [No 35](#), Division 2 of Part 2 of Schedule 1 and clause 24 of Schedule 1, jointly with the Attorney General (remainder, the Attorney General)

- *Plumbing and Drainage Act 2011* [No 59](#)
- *Prices Regulation Act 1948* [No 26](#)
- *Professional Standards Act 1994* [No 81](#)
- *Property, Stock and Business Agents Act 2002* [No 66](#)
- *Residential (Land Lease) Communities Act 2013* [No 97](#)
- *Residential Tenancies Act 2010* [No 42](#) (except Part 7, jointly with the Minister for Social Housing)
- *Retirement Villages Act 1999* [No 81](#)
- *Rural Workers Accommodation Act 1969* [No 34](#)
- *Sporting Injuries Insurance Act 1978* [No 141](#) (which now falls within the portfolio responsibility of the Treasurer)
- *State Insurance and Care Governance Act 2015* [No 19](#), Part 2 and Schedules 1 and 2, and Parts 1 and 4 and Schedule 4 so far as they relate to Insurance and Care NSW (remainder, the Minister for Finance, Services and Property) (which now falls within the portfolio responsibility of the Minister for Finance, Services and Property and the Treasurer)
- *Storage Liens Act 1935* [No 19](#)
- *Strata Schemes Development Act 2015* [No 51](#), Part 10 and Schedule 7, jointly with the Minister for Finance, Services and Property (remainder, the Minister for Finance, Services and Property)
- *Strata Schemes Management Act 1996* [No 138](#) (which has been repealed effective from 30 November 2016)
- *Strata Schemes Management Act 2015* [No 50](#)
- *Surveying and Spatial Information Act 2002* [No 83](#), Part 3 and sections 21–22A (and Part 1, sections 28–32 and Part 7 so far as they relate to the registration of surveyors under Part 3) (remainder, the Minister for Finance, Services and Property)
- *Tattoo Parlours Act 2012* [No 32](#), jointly with the Minister for Police
- *Uncollected Goods Act 1995* [No 68](#)
- *Valuers Act 2003* [No 4](#) (which has been repealed effective from 1 March 2017)
- *Work Health and Safety Act 2011* [No 10](#)
- *Workers Compensation Act 1987* [No 70](#), Part 4 and Division 1A of Part 7 (remainder, the Minister for Finance, Services and Property) (which now falls within the portfolio responsibility of the Minister for Finance, Services and Property and the Treasurer)
- *Workers Compensation (Bush Fire, Emergency and Rescue Services) Act 1987* [No 83](#) (which now falls within the portfolio responsibility of the Treasurer)
- *Workers' Compensation (Dust Diseases) Act 1942* [No 14](#) (which now falls within the portfolio responsibility of the Treasurer).

## 6.14 Legislative changes

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### DFSI Legal

#### ***Motor Accident Injuries Act 2017***

The Act introduces dispute resolution reforms as part of the Compulsory Third Party (CTP) reforms. The Act provides for three tiers of review of statutory benefits disputes for the new CTP scheme. The Act commences on 1 December 2017.

#### ***Electronic Transactions Legislation Amendment (Government Transactions) Act 2017***

The Act amends five regulations and 53 Acts to enable digital transactions between NSW Government and citizens, businesses and other organisations so that digital processes are now an option across a wide range of government operations. The Act removes legislative constraints to digital government and supports the NSW Government's target of conducting 70% of its transactions through digital channels by 2019.

The Act also amends the *Road Transport Act 2013*, which sees the development of digital driver licences, including the conduct of a Digital Driver Licence Trial. The Act's amendments to the *Road Transport Act 2013* will permit the trial in NSW of digital driver licences in which selected participants will be able to obtain a digital representation of their driver licence. Digital driver licences will be accessed via a Service NSW app on mobile devices. The Digital Driver Licence Trial is due to commence later in 2017.

#### ***Land Acquisition (Just Terms) Compensation Amendment Act 2016***

The Act amends the Land Acquisition Compensation Framework by providing a comprehensive package of improvements to the land acquisition process and improving transparency between landowners (whose land is being acquired by agreement or compulsory means) and acquiring authorities. The legislative amendments strike an appropriate balance between the property rights of landowners and the public good derived from public infrastructure, especially considering NSW's growing population.

Impacts of amendments to the Act include: provision for the Valuer General to issue a determination of compensation directly to a landowner, section 39 claim for compensation form being provided directly from a landowner to the Valuer General, and extension of time for determining compensation from 30 to 45 days.

Amendments to the Act commenced on 1 March 2017.

#### ***Mine Subsidence Districts Compensation (Mine Subsidence Districts) Proclamation 2017***

The instrument proclaims, for the first time in 20 years, new Mine Subsidence Districts in NSW to ensure that unnecessary regulation is not imposed on communities where there is no risk of subsidence and so that development in areas that could be impacted by subsidence is managed appropriately.

#### ***Home Building Amendment (Compensation Reform) Act 2017***

The Act's reforms will enable private sector providers to offer home building compensation insurance and indemnity products in competition with the NSW Self Insurance Corporation.

The amendments to the Act commenced on 30 June 2017.

Better Regulation (includes NSW Fair Trading and SafeWork NSW)

#### ***Industrial Relations Amendment (Industrial Court) Act 2016***

The Act amends the *Work Health and Safety Act 2011*, the *Explosives Act 2003* and the *Dangerous Goods (Road and Rail Transport) Act 2008* to replace references to the Industrial Court with the District Court.

The amendments commenced on 8 December 2016.

#### **Work Health and Safety Amendment (Fees and Transitional Periods) Regulation 2016**

The Regulation amends the Work Health and Safety Regulation 2011 to increase and clarify certain fees and extend some transitional periods.

The Regulation commenced on 1 July 2016.

#### **Explosives Amendment (Temporary Amnesty) Regulation 2017**

The Regulation amends the Explosives Regulation 2013 to provide an amnesty from certain requirements relating to possession and storage of an explosive during a six-month period commencing on 15 March 2017.

The Regulation commenced on 10 March 2017.

#### **Building Professionals Act 2005**

Amendments to the Act establish a power to require persons who carry out certifying work, certifying authorities and accreditation holders (principally councils and private certifiers) to report key information about the certification work they do to the Building Professionals Board and to allow this information to be shared between the Board and other relevant agencies.

#### **Gas and Electricity (Consumer Safety) Act 2017**

The Act repeals the *Electricity (Consumer Safety) Act 2004*, the Electricity (Consumer Safety) Regulation 2015 and the Gas Supply (Consumer Safety) Regulation 2012, and consolidates the provisions of the Act and the primary provisions of the Regulation into one piece of legislation. The Act aligns and provides a consistent compliance and enforcement regime for both gas and electricity safety.

The Act is not yet in force.

#### **Motor Dealers and Repairers Amendment (Exemption for Lismore Show) Regulation 2017**

Amendments to the Act establish a temporary exemption to allow persons to offer or display a motor vehicle for sale at the Lismore Outdoor Leisure Show without a NSW motor dealer's licence only for the duration of the show.

#### **Tattoo Parlours Amendment Act 2017**

Amendments to the *Tattoo Parlours Act 2012* introduce a licence renewal scheme and make other minor amendments in relation to security determination of licence applications.

The amendments to the Act commenced on 1 July 2017.

#### **Associations Incorporation Regulation 2016**

The Regulation was remade on 1 September 2016 as part of the staged repeal program under the *Subordinate Legislation Act 1989*.

#### **Uncollected Goods Regulation 2017**

The Regulation was remade on 28 April 2017 as part of the staged repeal program under the *Subordinate Legislation Act 1989*.

#### **Holiday Parks (Long-term Casual Occupation) Regulation 2017**

The Regulation was remade on 28 April 2017 as part of the staged repeal program under the *Subordinate Legislation Act 1989*.

### **Biofuels Regulation (No. 2) 2016, Biofuels (Registration) Order 2016, Fair Trading Amendment (Fuel) Regulation 2016**

On 1 January 2017, the *Biofuels Amendment Act 2016* commenced after receiving assent in April 2016. The Biofuels Regulation (No 2) 2016 and Fair Trading Amendment (Fuel) Regulation 2016 were published in October 2016 and both commenced on 1 January 2017 in support of the *Biofuels Amendment Act 2016*.

Amendments were made in support of the Government policy announced in December 2015 to improve compliance with the 6% ethanol and 2% biodiesel mandate.

### **Conveyancers Licensing (Approved Professional Indemnity Insurance Policy) Order 2017**

This order approves specified policies of professional indemnity insurance for the period 1 July 2017 to 30 June 2018. Under the Conveyancers Licensing Regulation 2015, a licensee carrying out conveyancing work is required to be insured under a policy of professional indemnity insurance that has been approved by the Commissioner for Fair Trading.

### **Fair Trading Amendment (Commercial Agents) Act 2016**

The Act repeals the *Commercial Agents and Private Inquiry Agents Act 2004* and amends the *Fair Trading Act 1987* with respect to the regulation of persons carrying out debt collection, repossessions and process serving.

The Act facilitates the transfer of the administration of licences for commercial agents from NSW Police to NSW Fair Trading, and provides for a partial de-regulation of the industry. Only commercial agents operating in the field will be required to hold a licence, while non-field agents will be subject to a negative licensing regime.

The Act is yet to commence.

### **Funeral Funds Regulation 2016**

The Regulation is a remake, with minor amendments, of the previous Regulation that was repealed by the stage repeal provisions of the *Subordinate Legislation Act 1989* on 1 September 2016.

### **Property, Stock and Business Agents Amendment (Property Reports and Exemption) Regulation 2016**

The amendments introduce requirements for real estate agents to keep records of pre-purchase property reports on residential properties, and to provide that information to prospective buyers when a contract for sale is requested. This aims to make it quicker, easier and possibly cheaper for prospective buyers to obtain building inspection reports, pest and timber reports, and strata searches.

The amendments to the Regulation also introduce an exemption from the licensing requirements of the Act for agents who only deal with large value commercial properties. This was a recommendation of the 2014 IPART report on reforming licensing in NSW.

### **Strata Schemes Management Regulation 2016**

Following an extensive review, the *Strata Schemes Management Act 2015* commenced on 30 November 2016. The supporting Regulations were also rewritten.

### **Regulatory and Other Legislation (Amendments and Repeals) Act 2016**

The Act amends the *Property, Stock and Business Agents Act 2002* to strengthen obligations for persons exercising functions as property, stock and business agents. The amendments tighten up and strengthen the existing underquoting, supervision and responsibility laws to ensure that licensed real estate agents and their employees comply with these laws regardless of what kind of employment arrangements are in use.

The Act also repeals provisions of the *Architects Act 2003*, *Architects Regulation 2012* and *Building Professionals Act 2005* that require complaints made under those Acts against architects and accreditation holders to be verified by statutory declaration.

The Act amends provisions of the *Funeral Funds Act 1979* to exempt friendly societies and Crown cemetery trusts from certain registration and related requirements. Provisions of the *Fair Trading Act 1987* are also amended in relation to the publication of standard retail prices of hydrogen or electricity supplied to motor vehicles under the *Fair Trading Regulation 2012* and the FuelCheck prices publication scheme.

Amendments to the *Conveyancers Licensing Act 2003* and the *Pawnbrokers and Second-hand Dealers Act 1996* were also made to enable licences to have effect for up to three years, rather than only one year. The *Residential Tenancies Act 2010* was amended to encourage the use of the online rental bond service.

## Revenue NSW

### **Fines Amendment Act 2017**

The Act amends the *Fines Act 1996* to allow the Commissioner of Fines Administration to take:

- civil enforcement action against a fine defaulter without suspending or cancelling the fine defaulter's driver licence or vehicle registration
- enforcement action to recover an amount payable under a confirmed order for restitution made by the Commissioner of Victims Rights against an offender or other person.

The Act also amends the *Victims Rights and Support Act 2013* in connection with the enforcement and recovery of restitution amounts by the Commissioner of Fines Administration.

The Act commenced on 21 March 2017.

### **State Revenue Legislation Amendment Act 2017**

The Act amends the *Duties Act 1997*, *Land Tax Management Act 1956*, *Payroll Tax Act 2007*, *First Home Owner Grant (New Homes) Act 2000*, *Regional Relocation Grants (Skills Incentive) Act 2011*, *Small Business Grants (Employment Incentive) Act 2015* and *Taxation Administration Act 1996*.

Amendments to the *Duties Act 1997* clarify the application of the Act to instruments that are in a digital form and also provides amendments in connection with nominal duties, landowner duties, and exemptions from duties.

Amendments to the *Land Tax Management Act 1956* require a Government entity that leases land to make the lessee aware that the lessee can be liable for land tax on the land.

Amendments to the *Payroll Tax Act 2007* provide for payroll tax exemptions.

Amendments to the other four Acts intend to permit disclosures to the Australian Charities and Not-for-profits Commission.

### **State Revenue and Other Legislation Amendment (Budget Measures) Act 2017**

The Act amends State revenue and other legislation in connection with the State budget for the 2017-18 financial year. Amendments extend to housing affordability, first home owner grants for new homes, land tax, foreign surcharge taxes, surcharge land taxes and insurance duties.

### **Fire and Emergency Services Levy Act 2017**

The Act aims to provide for the imposition of a new fire and emergency services levy. The levy will be payable on all land (other than government land) that is situated in the area of a council or on Lord Howe Island.

The Act commences on 1 July 2017.



### ***Emergency Services Levy Act 2017***

The Act re-establishes an emergency services insurance contribution scheme and postpones the introduction of the levy imposed by the *Fire and Emergency Services Levy Act 2017*. The Act commences on 1 July 2017.

### **Office of the Registrar General**

### ***Land and Property Information NSW (Authorised Transaction) Act 2016***

The Act makes major reforms to the way that land registry services are provided in NSW. The Act authorises the grant of a 35-year concession over titling and registry services by allowing the powers and functions of the Registrar General to be delegated to a private operator. To facilitate this, the Act makes amendments to the *Real Property Act 1900* and the associated land titling legislation to:

- clarify the Registrar-General's role as overseer of the titling system
- provide for Lodgement Rules to be made
- establish a procedure for administrative review of decisions by the Registrar General
- allow regulations to be made that set a formula for the annual increase of fees capped at CPI.

The Act commenced on 24 March 2017.

### **LPI Authorised Transaction Act – amendment to Regulations**

To allow the commencement of the *Land and Property Information NSW (Authorised Transaction) Act 2016*, a number of amendments were made to regulations by the:

- Real Property Amendment (LPI Authorised Transaction) Regulation 2017
- Conveyancing (General) Amendment (LPI Authorised Transaction) Regulation 2017
- Strata Schemes Development Amendment (LPI Authorised Transaction) Regulation 2017.

The amendments removed procedural and operational provisions from the regulations so they could be dealt with in Lodgement Rules made under the *Real Property Act 1900* by the Registrar General. The amendment also introduced procedural requirements to support the administrative review process that allows the Registrar General to review decisions of the authorised Operator. The amendments further introduced a mechanism to allow an annual adjustment of prescribed fees by inflation.

### **Strata Schemes Development Regulation 2016**

The regulation commenced on 30 November 2016 to coincide with the introduction of the *Strata Schemes Development Act 2015*. Among other things, the Regulation prescribes a number of steps required for parties who want to participate in the strata renewal provisions established by the Act.

### **Office of the Valuer General**

### ***Valuation of Land Act 1916***

Amendments were made to the *Valuation of Land Act 1916* by the *Fire and Emergency Services Act 2017* No 9. Amendments required the Valuer General to provide new valuations to all local councils at least every three years and removed the discretion for the Valuer General to extend the period between valuations for rating if the market was inactive.

Assent date 4 April 2017. Date of commencement, assent, section 2.

New requirements were also imposed on the Valuer General by the *Fire and Emergency Services Act 2017* and the *Land Acquisition (Just Terms Compensation) Act 1991*. For further information please see the annual report for the Valuer General 2016-17.

## 6.15 Overseas travel

Name and Division	Travel Dates	Destination, purpose and benefits	Total cost	Net cost to DFSI	Note
Samira Kamandi <i>State Insurance Regulatory Authority</i>	9 July 2016 to 17 July 2016	<b>Singapore</b> Attend Executive Masters of Public Administration Program run by ANZSOG	\$1586.73	\$0	4
Adrian Rietdijk <i>Better Regulation Division</i>	23 Aug 2016 to 26 Aug 2016	<b>Christchurch &amp; Wellington, New Zealand</b> To conduct quality assessment for Testsafe clients	\$1857.70	\$0	2
Jing Yi Zhao <i>Better Regulation Division</i>	22 Aug 2016 to 28 Aug 2016	<b>Taipei, Taiwan &amp; Shanghai, China</b> To conduct quality assessment for Testsafe clients	\$3194.02	\$0	2
Xue Jie Mei <i>Better Regulation Division</i>	18 Aug 2016 to 29 Aug 2016	<b>Guangzhou, China</b> To conduct quality assessment for Testsafe clients	\$2347.46	\$0	2
Adrian Rietdijk <i>Better Regulation Division</i>	5 Sep 2016 to 9 Sep 2016	<b>Auckland, Wellington &amp; Christchurch, NZ</b> To conduct quality assessment for Testsafe clients	\$1837.22	\$0	2
Gordana Ostojic <i>Better Regulation Division</i>	3 Sept 2016 to 10 Sept 2016	<b>Durban, South Africa</b> To conduct quality assessment for Testsafe clients	\$2941.96	\$0	2
Martin Hoffman <i>Office of the Secretary</i>	17 Sept 2016 to 1 Oct 2016	<b>Hong Kong &amp; Beijing, China</b> Lead NSW Public Service delegation visiting four cities visiting government, business and sites of interest.	\$5210.85	\$5210.85	-
Vince Di Chiara <i>Revenue NSW</i>	20 Nov 2016 to 22 Nov 2016	<b>Wellington, New Zealand</b> Trip cancelled at last minute, credit received.	\$1007.96	\$0	5
Adrian Rietdijk <i>Better Regulation Division</i>	21 Nov 2016 to 24 Nov 2016	<b>Auckland &amp; Christchurch, NZ</b> To conduct quality assessment for Testsafe clients	\$1722.28	\$0	2
Gerardo Gonzalez <i>Better Regulation Division</i>	21 Nov 2016 to 24 Nov 2016	<b>Auckland, Wellington &amp; Christchurch, NZ</b> To conduct quality assessment for Testsafe clients	\$1594.98	\$0	2
Thomas Kearne <i>Office of the Secretary</i>	27 Nov 2016 to 30 Nov 2016	<b>Wellington, New Zealand</b> Executive Masters of Public Administration course	\$554.45	\$0	1

<b>Name and Division</b>	<b>Travel Dates</b>	<b>Destination, purpose and benefits</b>	<b>Total cost</b>	<b>Net cost to DFSI</b>	<b>Note</b>
Peter Dunphy <i>Better Regulation Division</i>	3 Mar 2017 to 13 Mar 2017	<b>Boston, USA</b> Attend Strategic Management of Regulatory and Enforcement Agencies masterclass Harvard University	\$7039.18	\$7039.18	-
Xue jie Mei <i>Better Regulation Division</i>	17 Mar 2017 to 27 Mar 2017	<b>Guangzhou, China</b> To conduct quality assessment for Testsafe clients	\$1238.64	\$0	2
Thomas Kearne <i>Office of the Secretary</i>	9 Mar 2017 to 11 Mar 2017	<b>Wellington, New Zealand</b> Trip cancelled at last minute, credit received.	\$141.76	\$0	5
Adrian Rietdijk <i>Better Regulation Division</i>	13 Mar 2017 to 16 Mar 2017	<b>Auckland &amp; Christchurch, NZ</b> To conduct quality assessment for Testsafe clients	\$1182.65	\$0	2
Changwoo Lee <i>Better Regulation Division</i>	21 Mar 2017 to 31 Mar 2017	<b>Seoul &amp; Kosu, South Korea</b> To conduct quality assessment for Testsafe clients	\$3306.41	\$0	2
Jingyi Zhao <i>Better Regulation Division</i>	20 March 2017 to 1 April 2017	<b>Wuhan, China</b> To conduct quality assessment for Testsafe clients	\$2640.49	\$0	2
Alexander Stuke <i>Office of State Revenue</i>	2 April 2017 to 4 April 2017	<b>Wellington, New Zealand</b> Meeting Inland Revenue Department NZ and Ernst Young to help the inform OSR Future Revenue Systems business case.	\$2563.99	\$2563.99	-
Vince Di Chiara <i>Office of State Revenue</i>	2 April 2017 to 4 April 2017	<b>Wellington, New Zealand</b> Meeting Inland Revenue Department NZ and Ernst Young to help the inform OSR Future Revenue Systems business case.	\$3419.68	\$3419.68	-
Joseph Ontedhu <i>Office of State Revenue</i>	2 April 2017 to 4 April 2017	<b>Wellington, New Zealand</b> Meeting Inland Revenue Department NZ and Ernst Young to help the inform OSR Future Revenue Systems business case.	\$1006.00	\$1006.00	-
Adrian Rietdijk <i>Better Regulation Division</i>	8 May 2017 to 10 May 2017	<b>Christchurch, New Zealand</b> To conduct quality assessment for Testsafe clients	\$1804.41	\$0	2
Adrian Rietdijk <i>Better Regulation Division</i>	8 May 2017 to 8 May 2017	<b>Christchurch, New Zealand</b> To conduct quality assessment for Testsafe clients	\$369.02	\$0	2
Geoffrey Hinchcliffe <i>ICT and Digital Government</i>	18 May 2017 to 23 May 2017	<b>Wellington, New Zealand</b> To attend the CAARA meeting scheduled in New Zealand	\$537.10	\$0	3

Name and Division	Travel Dates	Destination, purpose and benefits	Total cost	Net cost to DFSI	Note
Anna Bartosiak <i>ICT and Digital Government</i>	21 May 2017 to 23 May 2017	<b>Wellington, New Zealand</b> To attend the CAARA meeting scheduled in New Zealand	\$1555.66	\$0	3
Jingyi Zhao <i>Better Regulation Division</i>	22 May 2017 to 26 May 2017	<b>Shanghai, China</b> To conduct quality assessment for Testsafe clients	\$1094.69	\$0	2
Xuejie Mei <i>Better Regulation Division</i>	19 May 2017 to 28 May 2017	<b>Guangzhou, China</b> To conduct quality assessment for Testsafe clients	\$2786.17	\$0	2

#### Notes

- 1 Expenses paid by the NSW Public Service Commission
- 2 Expenses paid by various TestSafe clients
- 3 Expenses paid by Council of Australasian Archives and Records Authorities (CAARA)
- 4 Expenses paid by Australia and New Zealand School of Government (ANZSOG)
- 5 FCm Credit received

## 6.16 Public interest disclosure

DFSI had a Fraud and Corruption Internal Reporting Policy that outlined for staff the support and protections available under the *Public Interest Disclosures Act 1994* for a person wishing to make a public interest disclosure (PID). The policy was widely available on the DFSI intranet and included details of the nominated officers who are authorised to receive a disclosure.

PID resources were available to staff on the DFSI intranet and highlighted during induction training. A refresh of the DFSI Fraud and Corruption Control Framework commenced and will include a review of PID reporting arrangements, updates to resources and awareness notifications.

	Public interest disclosures made by public officials in performing day to day functions	Public interest disclosures not covered by (1) that are made under a statutory or other legal obligation	All other public Interest disclosures
Number of public officials who made PIDs	5	0	0
Number of PID received	5	0	0
<b>Of PIDs received, number primarily about:</b>			
Corrupt conduct	5	0	0
Maladministration	0	0	0

Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Numbers of PIDs finalised	5	0	0

## 6.17 Research and development

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### High Availability Data Project

The Manly Hydraulics Laboratory (MHL) has developed a High Availability Data portal and data integration system on behalf of the Office of Environment and Heritage (OEH).

MHL has utilised up-to-date techniques based around cloud based technologies to provide users with continuous, uninterrupted, and reliable access to high quality and critical data through a web-based interface (Phase 1 now completed) and a Public Application Programming Interface (API; Phase 2 now underway). The Public API allows applications, web services and users access to MHL's valuable long-term data sets.

Supporting this interface is a highly optimised cloud-hosted database which serves as a repository for MHL's long-term data record comprising more than 18,000 station years of continuous quality-controlled data across NSW.

The High Availability system represents the culmination of a migration project to cloud infrastructure and technology to underpin reliable, fast and highly accessible service offerings to our customers and the general public.

Ongoing goals of the project are to:

- implement infrastructure as a service
- provide users greater access to OEH data through the public API
- rehearse disaster recovery
- provide data services to support other Government agencies
- improve data accessibility tools
- uptake of cloud services machine-less technology.

This project was funded by Office of Environment and Heritage and has drawn upon a range of capabilities of DFSI staff.

## 6.18 Risk management, attestation and insurance activities

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### Risk and resilience framework

During the financial year DFSI had in place a Risk and Resilience Framework which complied with the core requirements of the NSW Treasury's *Internal Audit and Risk Management Policy for the NSW Public Sector (Policy and Guidelines Paper TPP 15-03)* and *AS/NZS ISO 31000:Risk Management Principles and Guidelines*. The aim of the Risk and Resilience Framework was to ensure that:

- the Secretary, the DFSI Executive and all managers could confidently make informed business decisions
- change opportunities and initiatives could be pursued with greater speed, robustness and confidence for the benefit of DFSI and its stakeholders
- there was greater certainty in achieving strategic objectives
- daily decisions at the operating level were made within the context of DFSI's capacity to accept risk
- the organisation managed the risk of intangible assets – reputation, regulatory, intellectual and knowledge capital, processes and systems – just as fully as it managed physical and financial assets.

DFSI risk management was linked with strategic and business planning, initiative planning, value drivers and the performance measurement process.

**Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for Department of Finance, Services and Innovation**

I, Martin Hoffman, Secretary, am of the opinion that the Department of Finance, Services and Innovation has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Core requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
<b>Risk Management Framework</b>		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 3100:2009	Compliant
<b>Internal Audit Function</b>		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
<b>Audit and Risk Committee</b>		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

## Membership

The chair and members of the Audit and Risk Committee are:

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2019
- Mark O'Sullivan, Independent Member, from 25 January 2016 to 24 January 2018
- Bruce Turner AM, Independent Member, from 22 January 2016 to 21 January 2019.

The previous Audit and Risk Committee was disbanded with effect from 20 November 2015.

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- Rental Bond Board
- NSW Fair Trading Administration Corporation
- Building Professionals Board
- Mine Subsidence Board
- NSW Government Telecommunications Authority
- State Archives and Records Authority of NSW.

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**Martin Hoffman**

**Secretary, Department of Finance Services and Innovation**

**Date: 27/9/17**

### Agency Contact Officer

Geoff Campbell

Chief Audit Executive, 9372 8040

[geoff.campbell@finance.nsw.gov.au](mailto:geoff.campbell@finance.nsw.gov.au)

## Business risk insurance

DFSI had insurance arrangements in place for all its assets and major risks. Insurable risk cover was primarily provided through participation in the NSW Treasury Managed Fund (TMF), a NSW Government self-insurance scheme. Insurable risk exposures covered through the TMF included property, liability, motor vehicle, workers compensation, travel and personal accident.

## Claims performance

Claims performance for the 2016-17 period improved significantly over the period with no attributable catastrophe losses and diminishing non-catastrophe losses across all lines.

### Number of claims

	2013-14	2014-15	2015-16	2016-17
Workers Compensation	79	120	64	82
Motor Vehicle	103	90	93	171
Property	5	13	5	11
Liability	6	4	-	48
Other	1	3	-	

	2013-14	2014-15	2015-16	2016-17
Total	193	229		312

#### Net incurred claims cost (\$)

	2013-14	2014-15	2015-16	2016-17
Workers Compensation	702,517	781,887	884,236	1,136,270
Motor Vehicle	416,485	306,185	240,014	541,551
Property	123,534	3,316,330	49,293	237,268
Liability	261,915	719,630	-	7,424,766
Other	610	2,932	-	-
<b>Total</b>	<b>1,504,452</b>	<b>5,126,964</b>		<b>9,339,855</b>

All incurred claims and relevant costs were sourced from 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.

The large increase in general liability claims for 2016-17 is due to the Central Register of Restrictions error with a large number of these claims reported during the financial year.

## NSW Government Digital Information Security Policy

### Digital Information Security Annual Attestation Statement for the 2016-17 Financial Year, for Department of Finance, Services and Innovation

I, Jeannine Biviano, am of the opinion that DFSI had an Information Security Management System (ISMS) in place during the 2016-17 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of DFSI are adequate.

DFSI divisions and the shared service provider, GovConnect, have maintained certified compliance with ISO 27001 Information technology – Security techniques – Information security management systems – Requirements by an Accredited Third Party during the 2016-17 financial year.

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**Jeannine Biviano**

**A/Secretary, Department of Finance, Services and Innovation**

**Date: 3/10/17**

## 6.19 Significant judicial decisions

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### Better Regulation (includes NSW Fair Trading and SafeWork NSW)

#### WGA Pty Ltd

WGA Pty Ltd was prosecuted in the District Court under section 32 of the *Work Health and Safety Act 2011*. On 19 June 2014, a worker suffered serious injuries following an electric shock as a result of working in close proximity to high voltage overhead power lines.

On 5 May 2017, the defendant was convicted by the District Court and fined \$1,000,000. The Court found the safety system implemented by the defendant in relation to working near live power lines was non-existent. The Court considered the gravity of the risk was significant and the potential



consequences of not addressing the risk were catastrophic being death or at the very least serious injury.

#### **Thermal Electric Elements Pty Ltd**

Thermal Electric Elements Pty Ltd was prosecuted in the District Court under section 32 of the *Work Health and Safety Act 2011*. On 6 August 2014, a 17-year-old work experience student suffered amputation of the tips of two fingers when using an inadequately guarded brake press machine.

On 24 March 2017, the defendant was convicted by the District Court and fined \$250,000. In sentencing the defendant the Court noted the foreseeability of the risk was disclosed in the defendant's own documents and the risk was heightened by the injured worker being a young and vulnerable worker who was not properly trained or supervised.

#### **Tamex Transport Services Pty Ltd**

Tamex Transport Services Pty Ltd was prosecuted in the District Court under section 32 of the *Work Health and Safety Act 2011*. On 28 February 2014, a worker suffered serious head injuries when he was struck by the gate of a metal container cage being unloaded from a forklift.

On 21 February 2017, the defendant was convicted by the District Court and fined \$220,000. The Court was of the view the risk was obvious and had actually been foreseen by the defendant as far back as 2010, when it developed a safe work method statement which adopted a 5m exclusion zone between forklifts and persons. However, the defendant failed to train its staff in the safe work method statement and enforce it.

#### **PJL Group Pty Ltd**

PJL Group Pty Ltd was prosecuted in the District Court under section 32 of the *Work Health and Safety Act 2011*. On 16 May 2014, a worker suffered fatal crush injuries when the load frame of an articulated vehicle he was working under fell from the support jacks.

On 15 December 2016, the defendant was convicted by the District Court and fined \$225,000. There was no risk assessment, relevant manufacturer's manual, relevant instructions and appropriate equipment for the task being undertaken by the worker.

#### **Matthew Charles Camilleri**

Mr Camilleri was prosecuted in the District Court under section 32 of the *Work Health and Safety Act 2011*. On 8 September 2014, a worker engaged by Mr Camilleri was seriously injured when he fell 3-4 metres to the ground from the first floor of a residential construction site. No control measures were in place to control the risk of a fall from heights such as edge protection, scaffolding or fall arrest protection.

On 9 December 2016, the defendant was convicted by the District Court and fined \$56,250.

#### **THO Services Limited**

THO Services Limited was prosecuted under section 32 of the *Work Health and Safety Act 2011* arising out of an incident on 11 March 2013 when a 15-year-old Year 10 school student sustained permanent damage to the vision of both eyes because he was welding without eye protection at the company's Muswellbrook site.

At sentencing on 15 February 2016, the District Court did not impose a penalty but instead dismissed the charge under the provisions of s10 of the *Crimes (Sentencing Procedure) Act 1999*. SafeWork NSW appealed the sentence on the grounds that it was manifestly inadequate. On 17 October 2016, the appeal was upheld and the defendant was convicted by the Court of Criminal Appeal and fined \$240,000.

### **Greg Dunn**

Mr Dunn was prosecuted under section 32 of the *Work Health and Safety Act 2011* arising out of an incident on 19 December 2012 in which a worker was fatally injured when the tractor he was using to slash grass rolled over, crushing him when reversed down a steeply sloping block.

On 12 September 2016, the defendant was convicted by the District Court and fined \$160,000. The Court was of the view the tractor was obviously and plainly unsafe and there were simple and readily available measures that could have been taken to eliminate or mitigate the risk.

### **Essential Energy**

Essential Energy was prosecuted under section 32 of the *Work Health and Safety Act 2011* arising out of an incident on 2 September 2013 where an electrical worker was fatally electrocuted when removing deenergised bottom circuit conductors in the vicinity of higher top energised circuit conductors.

On 2 September 2016, the defendant was convicted by the District Court and fined \$300,000. The Court considered the gravity of the risk was extreme as even a short exposure to the voltage was likely to cause death. The defendant had taken a number of steps to maintain safety during the task however, top circuit conductors should have been de-energised prior to work being performed to ensure there was no risk to safety.

### **Barry Goldman**

Mr Goldman was prosecuted in Parramatta Local Court under the *Property, Stock and Business Agents Act 2002* for fraudulently converting over \$600,000 from two trust accounts of a real estate business which he ran in Miller Street, Pyrmont under the names of Portfolio Property Solutions and Leda Real Estate. On 2 December 2016, the Court convicted Mr Goldman and ordered him to serve a sentence of three and a half years' imprisonment with a two-year non-parole period. On severity appeal in the District Court, on 18 January 2017 the sentence was reduced to a total of two years imprisonment with a non-parole period of 18 months.

A court order was made, and continues, that any person or organisation reporting or publishing the outcome of this case or matters arising from it must include the following statement:

"The Barry Goldman who is subject to this report is not the licenced real estate agent Mr Barry Ian Goldman of Sydney Sothebys International Realty Double Bay, New South Wales."

### **Mark Anthony Kolodynski**

Mr Kolodynski was prosecuted in Parramatta Local Court under the *Crimes Act 1900* for larceny as a clerk for stealing over \$370,000 from trust accounts at real estate agencies where he was employed – Bevans Wollongong Pty Ltd, Harcourts Northern Beaches and Northern Strata Pty Ltd. On 30 March 2017 Mr Kolodynski was sentenced to 18 months imprisonment with a non-parole period of 12 months. He was also ordered to pay \$100,000 compensation to each of his former employers.

### **Hua Yang Australia International Trading and Investment Pty Ltd and Huadi Bi**

Hua Yang Australia International Trading and Investment Pty Ltd was prosecuted in the Supreme Court for two charges of contravening the *Electricity (Consumer Safety) Act 2004* of selling articles that were not approved. Ms Bi was also charged as the sole director of the company. The articles were USB style phone chargers and a travel adaptor offered for sale at a pop up store at the Campsie Centre. Expert evidence indicated that there was risk of electric shock or electrocution posed by the unapproved articles. On 4 October 2016, Ms Bi was convicted and fined \$9,000 on each charge, a total of \$18,000. The company was also convicted and fined \$3,000 on each charge, a total of \$6,000.

### **Lu Luo (Infinity Cables)**

Mr Luo was the sole director of Infinity Cable Co Pty Ltd which sold cables that did not comply with specifications prescribed by the regulation to the *Electricity (Consumer Safety) Act 2004* to the retail

hardware chain Masters. The cabling failed to meet the required standard for thermal stability, and was eventually the subject of a national recall. The company went into voluntary liquidation in September 2013. Ms Luo was prosecuted in the Supreme Court as the sole director of the company. On 12 April 2017 Ms Luo was convicted and fined \$18,000.

#### **Alan Temelkov**

Mr Temelkov was prosecuted in Parramatta Local Court under the *Property, Stock and Business Agents Act 2002* for fraudulently converting over \$235,000 from the trust account of his real estate agency Tyron Holdings Pty Ltd trading as AMJ Properties. On 8 September 2016 Mr Temelkov was convicted, sentenced to 18 months imprisonment to be served by Intensive Corrections Order and ordered to pay \$235,063.80 compensation to the Property Services Compensation Fund.

#### **Daniel Nicholson**

Mr Nicholson was prosecuted in Parramatta Local Court under the *Property, Stock and Business Agents Act 2002* for fraudulently converting over \$95,000 from the trust account of his real estate agency Nicholson Property Group Pty Limited, trading as Kings Northern Beaches. On 25 February 2016, he was convicted and sentenced to nine months imprisonment with a six-month non-parole period. He was ordered to pay compensation of \$92,899.13 to the Property Services Compensation Fund. On 30 September 2016 on severity appeal to the District Court, the nine months imprisonment was ordered to be served by way of an Intensive Corrections Order.

#### **Brett John Jones**

Mr Jones was prosecuted in Parramatta Local Court under the *Property, Stock and Business Agents Act 2002* for fraudulently converting over \$260,000 from the trust account of a real estate agency. Mr Jones was sole director of Bamjar Pty Ltd which was trustee for Puzzle Property Unit Trust trading as Spring Group. On 23 February 2017 Mr Jones was convicted and sentenced to two years imprisonment to be served by way of Intensive Corrections Order. He was also ordered to pay \$100,000 compensation to the Property Services Compensation Fund.

#### **Wadih Charbel Kayrouz**

Mr Kayrouz was prosecuted in the Parramatta Local Court for offences under the *Home Building Act 1989*, *Australian Consumer Law* and the *Crimes Act 1900*.

Mr Kayrouz induced consumers to believe that his company Formcrete Group Pty Ltd was licensed to undertake concreting work when it was not. He accepted payment and failed to provide services. He showed two of the consumers a copy of a contractor licence with a false expiry date to convince them that he was still licensed. He obtained deposits in excess of the prescribed amount and failed to obtain home warranty insurance for the work. On 30 January 2017 Mr Kayrouz was convicted and ordered to perform 200 hours Community Service, placed on a bond to be of good behaviour for a period of seven months and fined a total of \$26,000. He was also ordered to pay a total of \$42,000 in compensation to the affected consumers.

### **Revenue NSW**

#### **Tay v Chief Commissioner of State Revenue [2017] NSWSC 338**

The Chief Commissioner issued two duties assessments for a share transfer by the executors of the estate of the late Tay Tee Peng of 33,053,508 shares in Memocorp Australia Pty Ltd. Memocorp owns substantial land in NSW and the estate transfer was assessed with share transfer duty of \$642,727.20 and with landholder duty of \$25,988,568.08.

The estate transfer arose in circumstances where the deceased's last will provided that all of his assets were to be sold and the proceeds of that sale were to be distributed amongst the deceased's four children in specified percentages.

Rather than selling all of the estate's assets, the four beneficiaries entered a Deed of Family Agreement, whereby it was agreed that each of the beneficiaries would receive certain assets as part of their respective entitlements under the will. It was further agreed that the plaintiff would receive all of the deceased's shares in Memocorp and the other beneficiaries would sell their existing shares to him.

The key issue in the share transfer proceeding was whether the estate transfer amounted to an appropriation of the deceased's property that was made in or towards satisfaction of the entitlement under the trusts contained within the deceased's will, and thus within an available duty concession.

Justice White agreed with the plaintiff and found that the duty concession was held to apply.

The key issue in the landholder duty proceeding arose because the plaintiff claimed an exemption from landholder duty as he submitted that the estate transfer was acquired solely as the result of the distribution of the estate of a deceased person effected in the ordinary course of execution of a will.

Justice White disagreed with the plaintiff and found that the Deed of Family Agreement did more than merely distribute the deceased estate and therefore the exemption did not apply. The ad valorem landholder duty assessment was upheld.

Both matters are currently the subject of appeal.

### **Chief Commissioner of State Revenue v Metricon QLD Pty Ltd [2017] NSWCA 11**

In the Supreme Court of NSW, the Chief Commissioner was unsuccessful in arguing the dominant use of the subject land owned by the taxpayer was commercial land development rather than primary production. His Honour held that, while "use" in the *Land Tax Management Act 1956* was not necessarily confined to a physical use, it must be a current use and not acts taken, or benefits derived, in respect of a future intended use. Relevantly, His Honour found that holding the subject land as part of its stock in trade or land bank was not a "current" use of the land.

### **Grain Growers Limited v Chief Commissioner of State Revenue [2016] NSWCA 359**

The Court of Appeal dismissed an appeal from the taxpayer concerning the construction of section 48(2) of the *Payroll Tax Act 2007*.

On 31 December 2008, the taxpayer acquired two businesses and in 2011 the staff of those businesses were transferred to the taxpayer. The main issue for determination was whether the wages of staff transferred from the acquired businesses were "for work of a kind ordinarily performed in connection with the...charitable purposes" of the organisation and "to a person engaged exclusively in that kind of work".

The Court of Appeal decided that "an assessment of whether the particular activities of the relevant body are such that bodies with the same charitable purpose ordinarily, or in other words regularly, commonly or customarily, perform them." The appeal was dismissed with costs.

### **UNSW Global Pty Ltd v Chief Commissioner of State Revenue [2016] NSWSC 1852**

The taxpayer provided its clients with the services of consultants in the provision of expert opinions for litigation and the provision of expert services in relation to a client's business (including reports, laboratory testing, training and facilitating workshops).

The issue in dispute was whether payments from the taxpayer to the consultants for the period from 1 June 2007 to 30 June 2012 should be taken to be wages under the employment agents provisions (the EA provisions) in section 3C of the *Payroll Tax Act 1971* and sections 37 to 42 of the *Payroll Tax Act 2007*.

Justice White held that a literal construction of the EA provisions would lead to absurd and unreasonable results. Applying a purposive construction, Justice White held that an employment agency contract is a contract under which a person (an employment agent) procures the services of another person (a service provider) in and for the conduct of the business of a client of the employment agent. Justice White found that none of the consultants performed work in and for the

conduct of the businesses of the taxpayer's clients. It followed that none of the payments made by the taxpayer to the consultants were wages under the EA provisions.

## Office of the Registrar General

### **Jobema Investments Pty Ltd v Zhu [2016] NSWSC 3**

The decision is the first application by a vendor seeking an order for rescission under section 66ZL of the *Conveyancing Act 1919*. This section provides that a vendor may rescind an off the plan contract under a sunset clause if the subject lot has not been created by the sunset date stated in the contract.

Justice Black dismissed the application, finding that the increases in construction costs and purchase prices which were cited to support the application had not been established, that there was no evidence to suggest that the higher price offered to Mr Wu reflected 2015 prices, as claimed by the plaintiff, and that the vendor was aware of delays when they took over the project from the former owner. In addition, there was also the unexplained process where some purchasers had their sunset clauses extended and others did not.

## 6.20 Work health and safety and injury management

DFSI is committed to providing a healthy and safe workplace for all employees, including contractors, agency staff and volunteers.

A number of initiatives were undertaken in 2016-17 with the aim of preventing injuries and illnesses and promoting a timely, sustainable, and early return to work for injured workers such as the Get Healthy at Work program which aims to improve the health of working adults with a focus on consumption.

### Workers compensation

DFSI recorded a 40 per cent reduction in the number of claims reported when comparing the 2016-17 period to the 2015-16 period. Additionally, a 30 per cent reduction in the total net incurred cost of claims was reported for the same period. Employee Safety and Wellbeing has been able to implement strategies and processes to effectively drive results which lead to cost reductions.

The deposit premiums across the cluster have seen a year-on-year reduction since a contribution high in 2012-13.

### Claims data

During 2016-17, DFSI reported a decrease in the number of reported workers compensation claims in comparison to the previous period. This reflects a 50.30 per cent reduction in the average number of claims reported across the last five reporting periods. The decrease was driven largely by strong safety performance within the NSW Fair Trading and Public Works Advisory Divisions.

### Workers compensation claims 2016-17

Business areas by workers compensation policy capture	No. of injuries resulting in claims <sup>2,6</sup>						No of injuries resulting in lost time <sup>3,6</sup>	Total time lost due to injuries (in days) <sup>3,6</sup>	Average time lost per injury (in days) <sup>3,6,7</sup>
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2016-17	2016-17	2016-17
NSW Fair Trading	64	29	14	11	32	13	5	86	2.46
NSW Procurement	2	0	1	0	0	0	0	0	0.00
ServiceFirst	18	7	3	2	2	0	0	0.00	0.00
Public Works and others <sup>1</sup>	59	23	8	8	27	7	1	2	0.06
Corporate Services	0	00	0	0	0	4	0	0.00	0.00
Construction Services Group	17	14	14	16	16	1	0	0.00	0.00
Revenue NSW	55	23	19	19	23	26	20	511.5	14.61
Land and Property Information	35	24	10	10	11	8	1	1	0.03
Waste Assets Management Corporation <sup>4</sup>	8	3	5	4	1	1	0	0.00	0.00

Business areas by workers compensation policy capture	No. of injuries resulting in claims <sup>2,6</sup>						No of injuries resulting in lost time <sup>3,6</sup>	Total time lost due to injuries (in days) <sup>3,6</sup>	Average time lost per injury (in days) <sup>3,6 7</sup>
Property and Advisory Group	2	22	2	2	0	4	2	54.1	1.55
State Archives and Records Authority	10	5	3	2	6	2	2	161.3	4.61
Teacher Housing Authority	0	0	0	0	1	0	0	0.00	0.00
Telco <sup>4</sup>	0	0	1	0	0	0	0	0.00	0.00
NSW Water Solutions	0	0	0	0	0	1	0	0.00	0.00
Govt cleaning service	0	1	0	0	0	0	0	0.00	0.00
<b>Total</b>	<b>270</b>	<b>131</b>	<b>80</b>	<b>74</b>	<b>119</b>	<b>67</b>	<b>31</b>	<b>815.9</b>	<b>23.32</b>

#### Notes

- 1 NSW Public Works and others include all other divisions within the agency not specifically itemised in this table.
- 2 Claim numbers and claim totals may change between annual reporting periods due to late notification of injury or movements within the agency.
- 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 agency.
- 5 Total 2014-15 average time lost per injury (total lost time in hours / 7 (7.6 for Construction Services Group and WAMC) to show lost time in days) represents the average time lost per injury across the agency. Data source: Allianz TMF 3 July 2015.
- 6 Injuries include illnesses.
- 7 Figure is calculated by dividing total time lost due to injuries (in days) by total number of injuries resulting in lost time.

## 6.21 Access to DFSI and related entities' offices

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### Department of Finance, Services and Innovation

McKell Building, 2-24 Rawson Place, Sydney NSW 2000

T: 02 9372 8877

[www.finance.nsw.gov.au](http://www.finance.nsw.gov.au)

Hours: 8:30am – 5:30pm

### Better Regulation Division

#### Better Regulation

McKell Building, 2-24 Rawson Place, Sydney NSW 2000

T: 02 9372 8738 | TTY: 1300 301 181

[www.finance.nsw.gov.au](http://www.finance.nsw.gov.au)

Hours: 8:30am – 5:30pm

#### NSW Fair Trading

The Eclipse Building

Level 11, 60 Station Street, Parramatta NSW 2150

PO Box 972, Parramatta NSW 2124

T: 02 9895 0111 | TTY: 1300 723 404

[www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au)

Hours: 8:30am – 5:00pm

### ICT and Digital Government

#### IDG

McKell Building, 2-24 Rawson Place, Sydney NSW 2000

T: 02 9372 8278 | TTY: 1300 301 181

[www.finance.nsw.gov.au](http://www.finance.nsw.gov.au)

Hours: 8:30am – 5:00pm

#### State Archives and Records Authority

143 O'Connell Street, Kingswood NSW 2747

PO Box 516, Kingswood NSW 2747

T: 02 9673 1788

[www.records.nsw.gov.au](http://www.records.nsw.gov.au)

Hours: 9:00am – 5:00pm

#### SafeWork NSW

92-100 Donnison Street, Gosford NSW 2250

Locked Bag 2906, Lisarow NSW 2252

T: 02 4321 5000

[www.safework.nsw.gov.au](http://www.safework.nsw.gov.au)

Hours: 8:30am – 4:30pm

#### Office of the Registrar General

McKell Building, 2-24 Rawson Place, Sydney NSW 2000

T: 1300 318 998

[www.registrargeneral.nsw.gov.au](http://www.registrargeneral.nsw.gov.au)

#### Telco Authority

McKell Building, 2-24 Rawson Place, Sydney NSW 2000

T: 02 9372 7088 | TTY: 1300 301 181

[www.telco.nsw.gov.au](http://www.telco.nsw.gov.au)

Hours: 9:00am – 5:00pm



## Property and Advisory Group

### Property NSW

Level 3, Bligh House, 4–6 Bligh Street, Sydney NSW 2000

GPO Box 4081, Sydney NSW 2001

T: 02 9273 3950

[www.property.nsw.gov.au](http://www.property.nsw.gov.au)

### DFSI Valuation Services

1 Prince Albert Road, Queens Square, Sydney NSW 2000

PO Box 745, Bathurst NSW 2795

T: 1800 110 038

[www.valuergeneral.nsw.gov.au](http://www.valuergeneral.nsw.gov.au)

### Teacher Housing Authority

Level 3, 66 Harrington Street, The Rocks NSW 2000

PO Box N408, Grosvenor Place, NSW 1220

T: 02 8276 8000

[www.tha.nsw.gov.au](http://www.tha.nsw.gov.au)

Hours: 8:30am – 4:30pm

### Revenue NSW

132 Marsden St, Parramatta

GPO Box 4042, Sydney NSW 2001

T: 02 9689 6200 | TTY: 1300 301 181

[www.revenue.nsw.gov.au](http://www.revenue.nsw.gov.au)

Hours: 8:30am – 4:30pm

### State Insurance Regulatory Authority

McKell Building, 2-24 Rawson Place, Sydney NSW 2000

T: 02 8267 1900 | TTY: 02 8268 1450

[www.sira.nsw.gov.au](http://www.sira.nsw.gov.au)

Hours: 8:30am – 5:30pm

### Public Works Advisory

McKell Building, Level 20, 2–24 Rawson Place, Sydney NSW 2000

T: 02 9372 8877

[www.publicworksadvisory.nsw.gov.au](http://www.publicworksadvisory.nsw.gov.au)

Hours: 8:30am – 4:30pm

### Waste Assets Management Corporation

Level 2, 10 Valentine Avenue, Parramatta NSW 2150

PO Box 3366, Parramatta NSW 2124

T: 02 9685 4960

[www.wamc.nsw.gov.au](http://www.wamc.nsw.gov.au)

### Service NSW

McKell Building, 2-24 Rawson Place, Sydney NSW 2000

T: 13 77 88

[www.service.nsw.gov.au](http://www.service.nsw.gov.au)

Details of Service Centres and opening hours can be found on the Service NSW website

## 7. Financial statements

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Department of Finance, Services and Innovation

Fair Trading Administration Corporation

BOSSI.

**DEPARTMENT OF FINANCE, SERVICES AND INNOVATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**  
**STATEMENT BY THE SECRETARY**

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

- a) the accompanying financial statements and notes thereto exhibit a true and fair view of the financial position of the Department of Finance, Services and Innovation as at 30 June 2017 and its financial performance for the year then ended
- b) the accompanying financial statements and notes thereto 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 *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer
- c) I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

  
Secretary  
Department of Finance, Services and Innovation

Date: 25 September 2017

**DEPARTMENT OF FINANCE, SERVICES AND INNOVATION**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Notes</b>	<b>Actual 2017 \$'000</b>	<b>Budget 2017 \$'000</b>	<b>Actual 2016 \$'000</b>
<b>Continuing Operations</b>				
<b>Expenses excluding losses</b>				
Operating Expenses				
Employee related	2(a)	614,510	759,323	687,192
Other operating expenses	2(b)	403,919	338,521	399,624
Depreciation and amortisation	2(c)	167,828	161,707	174,619
Grants and subsidies	2(d)	822,379	1,040,616	738,868
Finance costs	2(e)	28,890	30,127	33,147
Book value of motor vehicles sold	2(f)	77,250	84,263	99,630
Other expenses	2(g)	1,226	5,870	171
<b>Total Expenses excluding losses</b>		<b>2,116,002</b>	<b>2,420,427</b>	<b>2,133,251</b>
<b>Revenue</b>				
Appropriations	3(a)	1,324,503	1,463,763	958,582
(Transfers to the Crown Entity)	3(b)	(18,089)	(113,561)	52,913
Sale of goods and services	3(c)	382,447	602,194	471,570
Personnel services revenue	3(d)	121,532	163,076	154,696
Investment revenue	3(e)	5,423	5,533	5,818
Retained taxes, fees and fines	3(f)	83,220	195,106	81,460
Grants and contributions	3(g)	171,462	14,467	160,147
Acceptance by the Crown Entity of employee benefits and other liabilities	3(h)	12,778	15,724	21,336
Proceeds from sale of motor vehicle inventory	3(i)	93,952	89,291	115,982
Other revenue	3(j)	25,568	1,754	13,452
<b>Total Revenue</b>		<b>2,202,796</b>	<b>2,437,347</b>	<b>2,035,956</b>
Gain/(loss) on disposal	4(a)	(14,570)	-	(15,037)
Other gains/(losses)	4(b)	(7,043)	(1,208)	(7,809)
		<b>(21,613)</b>	<b>(1,208)</b>	<b>(22,846)</b>
<b>Profit from continuing operations</b>		<b>65,181</b>	<b>15,712</b>	<b>(120,141)</b>
<b>Discontinued Operations</b>				
Profit from discontinued operations	18	<b>13,383</b>	-	<b>51,618</b>
<b>NET RESULT</b>		<b>78,564</b>	<b>15,712</b>	<b>(68,523)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to net result</i>				
Net increase in property, plant and equipment revaluation surplus		-	-	3,439
<i>Items that may be reclassified to net result in subsequent periods</i>				
Net increase in available-for-sale financial assets		31,289	-	-
<b>Total other comprehensive income/(loss)</b>		<b>31,289</b>	-	<b>3,439</b>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS)</b>		<b>109,853</b>	<b>15,712</b>	<b>(65,084)</b>

*The accompanying notes form part of these financial statements.*

**DEPARTMENT OF FINANCE, SERVICES AND INNOVATION**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017**

	<b>Notes</b>	<b>Actual 2017 \$'000</b>	<b>Budget 2017 \$'000</b>	<b>Actual* 2016 \$'000</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	6	537,322	387,309	503,823
Receivables	8	299,354	262,805	288,109
Inventories	9	2,851	4,741	3,744
<b>Total Current Assets</b>		<b>839,527</b>	<b>654,855</b>	<b>795,676</b>
<b>Non-Current Assets</b>				
Receivables	8	-	268	-
Inventories	9	1,628	3,493	1,538
<i>Property, plant and equipment</i>				
Land and Buildings	11	42,802	117,342	37,029
Plant and Equipment	11	34,791	79,655	32,404
Motor Vehicles	11	334,278	326,661	518,813
Leasehold Improvements	11	42,526	-	31,514
<i>Total property, plant and equipment</i>		<i>454,397</i>	<i>523,658</i>	<i>619,760</i>
Intangible assets	12	136,663	186,110	145,901
Other financial assets	10	40,922	9,633	9,633
<b>Total Non-Current Assets</b>		<b>633,610</b>	<b>723,162</b>	<b>776,832</b>
<b>Total Assets</b>		<b>1,473,137</b>	<b>1,378,017</b>	<b>1,572,508</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	14	235,268	179,355	316,508
Borrowings	15	153,991	175,579	148,864
Provisions	16	167,647	335,699	216,183
Other	17	225,885	6,910	87,181
<b>Total Current Liabilities</b>		<b>782,791</b>	<b>697,543</b>	<b>768,736</b>
<b>Non-Current Liabilities</b>				
Borrowings	15	215,211	159,695	378,667
Provisions	16	14,801	2,526	11,727
Other	17	2,627,568	752	4,649
<b>Total Non-Current Liabilities</b>		<b>2,857,580</b>	<b>162,973</b>	<b>395,043</b>
<b>Total Liabilities</b>		<b>3,640,371</b>	<b>860,516</b>	<b>1,163,779</b>
<b>Net Assets / (Liabilities)</b>		<b>(2,167,234)</b>	<b>517,501</b>	<b>408,729</b>
<b>EQUITY</b>				
Reserves		35,186	20,663	3,897
Accumulated funds		(2,202,420)	496,838	404,832
<b>Total Equity</b>		<b>(2,167,234)</b>	<b>517,501</b>	<b>408,729</b>

*The accompanying notes form part of these financial statements.*

**DEPARTMENT OF FINANCE, SERVICES AND INNOVATION**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Notes</b>	<b>Accumulated Funds \$'000</b>	<b>Available for Sale Reserve \$'000</b>	<b>Asset Revaluation Surplus \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2016</b>		<b>404,832</b>	<b>-</b>	<b>3,897</b>	<b>408,729</b>
<b>Net Result for the year</b>		78,564	-	-	78,564
<b>Other comprehensive income</b> Net increase/(decrease) in available for sale financial assets	10	-	31,289	-	31,289
<b>Total comprehensive income for the year</b>		<b>78,564</b>	<b>31,289</b>	<b>-</b>	<b>109,853</b>
<b>Transactions with owners in their capacity as owners</b> Decrease in net assets from equity transfers	19	(2,685,816)	-	-	(2,685,816)
<b>Balance at 30 June 2017</b>		<b>(2,202,420)</b>	<b>31,289</b>	<b>3,897</b>	<b>(2,167,234)</b>
<b>Balance at 1 July 2015</b>		<b>(140,277)</b>	<b>-</b>	<b>6,154</b>	<b>(134,123)</b>
<b>Net Result for the year</b>		(68,523)	-	-	(68,523)
<b>Other comprehensive income</b> Net increase in property, plant and equipment	11	-	-	3,439	3,439
<b>Total comprehensive income for the year</b>		<b>(68,523)</b>	<b>-</b>	<b>3,439</b>	<b>(65,084)</b>
Transfer of asset revaluation surplus on disposal		5,696	-	(5,696)	-
<b>Transactions with owners in their capacity as owners</b> Increase in net assets from equity transfers	19	607,936	-	-	607,936
<b>Balance at 30 June 2016</b>		<b>404,832</b>	<b>-</b>	<b>3,897</b>	<b>408,729</b>

*The accompanying notes form part of these financial statements.*

**DEPARTMENT OF FINANCE, SERVICES AND INNOVATION**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Notes</b>	<b>Actual 2017 \$'000</b>	<b>Budget 2017 \$'000</b>	<b>Actual 2016 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee related		665,357	737,734	688,822
Grants and subsidies		822,379	1,040,616	739,245
Finance costs		28,890	30,127	33,147
Purchase of motor vehicles held for resale		6,307	-	99,249
Other		621,816	698,845	505,829
<b>Total Payments</b>		<b>2,144,749</b>	<b>2,507,322</b>	<b>2,066,292</b>
<b>Receipts</b>				
Appropriations (excluding equity appropriations)		1,336,554	1,463,763	958,582
(Transfers to the Crown Entity)		(109,103)	(123,561)	(14,033)
Sale of goods and services		791,679	779,895	984,526
Retained taxes, fees and fines		82,226	121,513	62,427
Interest received		6,260	5,430	6,459
Grants and contributions		171,462	14,031	160,147
Proceeds from sale of motor vehicle inventory		93,952	89,291	115,982
Other		55,493	413,310	15,599
<b>Total Receipts</b>		<b>2,428,523</b>	<b>2,763,672</b>	<b>2,289,689</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>24</b>	<b>283,774</b>	<b>256,350</b>	<b>223,397</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of land and buildings, plant and equipment and infrastructure systems		(60,427)	(25,479)	(146,431)
Purchases of intangibles		(31,519)	(64,680)	(34,776)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(91,946)</b>	<b>(90,159)</b>	<b>(181,207)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings and advances		37,157	-	230,346
Repayment of borrowings and advances		(195,486)	(202,036)	(243,809)
Other		-	47,531	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(158,329)</b>	<b>(154,505)</b>	<b>(13,463)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>33,499</b>	<b>11,686</b>	<b>28,727</b>
Opening cash and cash equivalents		503,823	375,623	453,467
Cash transferred in/(out) as a result of administrative restructuring	<b>19</b>	-	-	21,629
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>6</b>	<b>537,322</b>	<b>387,309</b>	<b>503,823</b>

Cash flows of discontinued operations

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*The accompanying notes form part of these financial statements.*

**DEPARTMENT OF FINANCE, SERVICES AND INNOVATION**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Reporting Entity**

The Department of Finance, Services and Innovation (DFSI) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. DFSI is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

DFSI as a reporting entity comprises the following major Divisions / Business Units:

- NSW Public Works
- NSW Fair Trading
- Better Regulation
- ICT, Digital and Innovation
- Land & Property Information
- Revenue NSW
- Government Services
- Personnel Services.

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 2017 have been authorised for issue by the Secretary on 25 September 2017.

**(b) Basis of Preparation**

DFSI's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* (PF&A) and *Public Finance and Audit Regulation 2015*; and
- the Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment 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 except where specified otherwise.

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**

DFSI's financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.



**(d) Administered Activities**

DFSI 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 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 DFSI's incomes, 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 have been adopted.

**(e) Borrowing Costs**

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with NSW Treasury's mandate to not-for profit NSW General Government Sector Entities.

**(f) Insurance**

DFSI's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims 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 DFSI 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.

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. Comments regarding the accounting policies for the recognition of income are discussed below.

**(i) Parliamentary Appropriations and Contributions**

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when DFSI 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 income in the following circumstances:

- "Equity appropriations" to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity. The reconciliation between the Statement of Comprehensive Income, Statement of Summary of Compliance with Financial Directives and the total appropriations is disclosed in Note 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 17 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 27 "Administered Assets and Liabilities".

(ii) Sale of Goods

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

(iii) Rendering of Services

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

Project and asset management fee revenue earned from the 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 DFSI 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 DFSI's Statement of Comprehensive Income.

(iv) Grants

Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received or receivable.

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

(v) Investment Revenue

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

**(i) Assets**

(i) Acquisitions of Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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(m)).

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

(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 14-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

DFSI's fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach and income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 11 and Note 13 for further information regarding fair value.

Revaluation shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. DFSI's land and buildings are revalued every three years. The last comprehensive revaluation was completed on 30 June 2016 and was based on an independent assessment. Other non-current assets are assessed by management to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the end of the reporting period.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. DFSI used an external professionally qualified valuer to conduct the interim revaluation at 30 June 2017. The interim revaluation did not result in a material change in the fair value of the land and buildings.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. DFSI has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, 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 surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

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

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.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

(iv) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

DFSI assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, DFSI estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

(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 DFSI.

All material separately identifiable component assets are recognised and depreciated over their useful lives. Land is not a depreciable asset. The depreciation rates used for 2016/17 for each class of assets are:

*Land and Buildings*

Buildings and improvements	2.5% to 3.8%
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*Plant and Equipment*

Mainframe computers and major computer systems	25.0%
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Computer equipment - portable	33.0%
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Furniture and fittings	10.0%
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Office equipment	10.0% to 20.0%
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Motor vehicles	20.0%
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Leasehold improvements	5.0% to 33.3%
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The depreciation rates have been reviewed from previous year and have been revised based on the remaining expected useful lives of the fixed assets. Any financial impact to this change has been quantified in note 2(c) below.

(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 provision.

(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 rewards incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and rewards.

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.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

(x) Intangible Assets

DFSI recognises intangible assets only if it is probable that future economic benefits will flow to DFSI 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. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for DFSI's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

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

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

DFSI's intangible assets (computer software) are amortised using the straight line method over a period of 4 to 10 years. These rates remain unchanged from the previous year. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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) Inventories

Inventories held for distribution are stated at 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 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 DFSI would incur to acquire the asset as at the end of the reporting period. 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 9).

(xii) Financial Assets

Financial Assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the net result.

DFSI determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end. The classification depends on the nature and purpose of the financial assets.

- **Financial assets at fair value through profit or loss** - DFSI subsequently measures financial assets classified as “held for trading” or designated upon initial recognition “at fair value through profit or loss” at fair value. Gains or losses on these assets are recognised in the net result for the year. Financial assets are classified as “held for trading” if they are acquired for the purpose of selling in the near term.
- **Held to maturity investments** - Non-derivative financial assets with fixed or determinable payments and fixed maturity that DFSI 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 financial assets** - Any financial assets that do not fall into any other category are accounted for as available-for-sale financial assets and measured at fair value. Gains or losses on available-for-sale financial assets are recognised 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.
- **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 net result for the year 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.

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 i.e. the date the entity commits itself to purchase or sell the asset.

(xiii) 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. However, reversals of impairment losses on an investment in an equity instrument classified as "available-for-sale" must be made through the revaluation surplus. 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.

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

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

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

(xv) **Trust Funds**

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

(xvi) **Other Assets**

Other assets are recognised on a cost basis.

**(j) Liabilities**

(i) **Payables**

These amounts represent liabilities for goods and services provided to DFSI 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 designated 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 net result for the year on de-recognition.

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

(a) **Salaries and Wages, Annual Leave, Sick Leave and On-costs**

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as current even when DFSI does not expect to settle the liability within 12 months as DFSI does not have an unconditional right to defer settlement.

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.

(b) Long Service Leave and Superannuation

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 15/09) 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 (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

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

Long Service Leave and Superannuation Liabilities Assumed by the Crown Entity

DFSI's liabilities for long service leave for Corporate Services, Fair Trading, Innovation & Digital Government and Revenue NSW are partially or wholly assumed by the Crown Entity.

DFSI's liabilities for defined benefit superannuation for all entities are assumed by the Crown Entity.

DFSI 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 Funded by DFSI

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

The cost of employee entitlements for long service leave, relating to the commercial operations of DFSI, with the exception of Land and Property Information, is met by the payment of a contribution based on salaries and wages to the Crown Entity. The payment is made into the "Non-Budget Sector Long Service Leave Pool Scheme" and leave taken is reimbursed from the Scheme.

(c) Consequential On-costs

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



(iv) **Other Provisions**

Other provisions exist when DFSI 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.

(v) **Financial Guarantees**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially recognised at fair value plus, in the case of financial guarantees not at fair value through profit or loss, directly attributable transaction costs, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised, less accumulated amortisation, where appropriate.

The entity has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2017 and as at 30 June 2016. However, refer to Note 22 regarding disclosures on contingent liabilities.

(k) **Fair Value Hierarchy**

A number of DFSI's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 *Fair Value Measurement*, DFSI categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

DFSI recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer Note 13 and Note 31 for further disclosures regarding fair value measurements of financial and non-financial assets.

(l) **Equity and Reserves**

(i) **Revaluation Surplus**

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the agency's policy on the revaluation of property, plant and equipment as discussed in Note 1(i)(iii).

(ii) **Accumulated Funds**

The category "Accumulated Funds" includes all current and prior period retained funds.

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

**(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 entities 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 not-for-profit and for-profit 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, DFSI recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, DFSI does not recognise that asset.

**(n) Work in Progress**

The amounts due from customers for contract work are disclosed as an asset and the amount due to customers for contract work as a liability. Accordingly, amounts due from customers is shown as Work in Progress in Current Assets and amount due to customers is shown as Advance Claims in Current Liabilities.

**(o) Budgeted Amounts**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfers of functions between entities as a result of Administrative Arrangement Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed on the primary financial statements are explained in Note 23.

**(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 2016 for all amounts reported in the financial statements.

**(q) Service Concession Arrangement**

On 12 April 2017, the State entered into a 35 year concession with the private sector to facilitate the provision of land titling and registry services. Under the concession, the State received an up-front contribution of \$2.622 billion, which was repatriated to the Restart NSW Fund, and transferred employee liabilities to the private sector operator.

ICT and other assets necessary to operate the concession have legally transferred to the private sector operator and legal ownership of these assets reverts to the State at the end of the concession. The State continues to own all existing and underlying data, information and intellectual property related to titling and registry services and provides access to these assets to the operator.

The concession is classified as a service concession arrangement. As the grantor of the service concession, DFSI recognises the up-front contribution provided by the operator as revenue progressively over the concession term. Assets legally transferred to the operator are treated as controlled for accounting purposes by DFSI and recorded at their carrying values immediately prior to the concession commencement. These service concession assets are depreciated or amortised over their useful lives.

**(r) Negative Equity**

The 30 June 2017 net liabilities are \$2,167.234 million (2016: net assets of \$408.729 million). The negative equity is only considered to be a balance sheet issue and has no cash impact on the operations of DFSI. The reason for the significant negative equity is due to the 35 year concession with the private sector to facilitate the provision of land titling and registry services occurring on 30 June 2017. The transaction has resulted in unearned revenue of \$2,700.106 million being recognised as a liability (refer Note 17) and an equity transfer to Treasury of \$2,622.822 million for the repatriation of cash concession contribution to Treasury (refer Note 19). There is no going concern issue arising from the negative equity balance as DFSI is funded by Treasury to meet all and any of its obligations due and payable.

**(s) Changes in Accounting Policy, Including New or Revised Australian Accounting Standards**

**(i) Effective for the first time in 2016/17**

The accounting policies applied in 2016/17 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2016/17:

- *AASB 14 Regulatory Deferral Accounts*  
AASB 14 specifies the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price subject to rate regulation. This is an interim Standard pending the outcome of the more comprehensive rate-regulated activities project of International Accounting Standards Board (IASB).

This Standard would not have a significant impact on entities in Australia as it could conceivably only affect entities that adopt Australian Accounting Standards for the first time and have recognised regulatory deferral account balances under their previous GAAP.

- *AASB 1057 Application of Australian Accounting Standards*  
AASB 1057 lists the application paragraphs for all the Standards and Interpretations. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where they are the same.
- *AASB 2014-1 Amendments to Australian Accounting Standards [Part D Regulatory Deferral Accounts]*  
Part D of AASB 2014-1 makes consequential amendments arising from the issuance of AASB 14.
- *AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations*  
AASB 2014-3 amends AASB 11 Joint Arrangements to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment also makes editorial correction to AASB 11.
- *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*  
AASB 2014-4 amends AASB 116 Property, Plant and Equipment (PPE) and AASB 138 Intangible Assets to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for PPE. Additionally, the amendments provide guidance in the application of the diminishing balance method for PPE.

The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. However, this presumption can be rebutted in limited circumstances for intangible assets.

- *AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*  
The amendments allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- *AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*  
The annual improvements cycle clarifies the following:
  - AASB 5 Non-current Assets Held for Sale and Discontinued Operations – Changes in the methods of disposal
  - AASB 7 Financial Instruments: Disclosures - Service contracts
  - AASB 119 Employee benefits – Discount rate (regional markets)
  - AASB 134 Interim Financial Reporting – Disclosure of information elsewhere in the interim financial statements.
- *AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*  
AASB 2015-2 amends AASB 101 Presentation of Financial Statements based on the IASB's Disclosure Initiative project. The amendments are designed to encourage entities to apply professional judgement on disclosures. The amendments also clarify that entities should use professional judgement in determining the location and order of information disclosed.
- *AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*  
AASB 2015-5 makes amendments to AASB 10, AASB 12 and AASB 128 arising from IASB's narrow scope amendments associated with Investment Entities.
- *AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities*  
AASB 2015-6 extends the scope of AASB 124 Related Party Disclosures to include not-for-profit (NFP) public sector entities. The requirements include financial statement disclosures of material transactions and outstanding balances between a reporting entity and its related parties.

Agencies will need to identify those individuals and entities that are related parties and should refer to Australian implementation guidance for NFP public sector entities in AASB 124, which includes practical examples. Separate guidance will be provided to agencies on the requirements of AASB 124 in Treasury Circular TC16-12 Related Parties.

- *AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*  
These amendments provide relief to NFP public sector entities from certain fair value disclosures required by AASB 13 Fair Value Measurement for PPE that are primarily held for their service potential and not dependent on their ability to generate net cash flows.

NFP public sector entities are exempt from following disclosures:

- Recurring and non-recurring level 3 fair values – quantitative information about significant unobservable inputs used in fair value measurement.
- Recurring level 3 fair values – total gains/loss included in profit or loss for the period that represent unrealised gains/losses relating to assets held at the end of the reporting period.
- Recurring level 3 fair values – narrative description of sensitivity of fair values to changes in unobservable inputs if a change in those inputs might result in a significantly higher or lower fair value. Also excluded is a description of the interrelationships and how they might magnify or mitigate the effect of changes in the unobservable inputs.

- *AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs*  
AASB 2015-9 inserts scope paragraphs in to AASB 8 and AASB 133 in place of application paragraph text in AASB 1057. This is to correct inadvertent removal of these paragraphs during earlier editorial changes. There is no change to the requirements or the applicability of AASB 8 and AASB 133.
- *AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*  
AASB 2015-10 defers the mandatory effective date of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.

The implementation of AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities has resulted in additional disclosures in the DFSI Financial Statements.

The implementation of the other above standards did not have a material impact on DFSI's financial statements.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Accounting Standards/Interpretations have been issued but are not yet effective:

- AASB 9 Financial Instruments
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income of Not-for-profit Entities
- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

It is considered that the implementation of the majority of these Standards will not have a material impact on DFSI's financial statements. The implementation of AASB 16 Leases is expected to have a considerable impact on DFSI, however, the extent of the impact is yet unknown.

## 2. EXPENSES EXCLUDING LOSSES

### (a) Employee Related Expenses

	2017	2016
	\$'000	\$'000
Salaries and wages (including annual leave)	489,895	524,612
Superannuation - defined benefit plans	12,178	16,646
Superannuation - defined contribution plans	33,867	35,209
Long service leave	3,257	29,060
Workers' compensation insurance	1,295	753
Payroll tax and fringe benefits tax	32,787	35,178
Voluntary redundancy	41,231	45,734
	<b>614,510</b>	<b>687,192</b>

Employee related expenses of \$2.85 million (2016: \$7.4 million) have been capitalised in various capital works and therefore are excluded from the above.

### (b) Other Operating Expenses

	2017	2016
	\$'000	\$'000
Auditor's remuneration		
- audit of the financial statements	1,270	1,157
Cost of sales	26,252	47,551
Advertising	5,265	1,158
Bad debt expense	779	1,185
Operating lease rental expense - minimum lease payments	37,369	33,691
Maintenance	7,966	7,735
Insurance	7	1,854
Valuation services contractors	29,332	25,878
Fees and charges	102,918	126,189
Postage and telephone	10,120	5,874
Printing, stationery and stores	11,714	8,830
Consultants	4,874	5,115
Other contractors	89,800	56,736
Books and periodicals	877	773
Travel and motor vehicle expenses	7,430	6,781
Computer expenses	45,051	39,354
Minor equipment	1,152	1,213
Training	6,179	3,866
Other	15,564	24,684
	<b>403,919</b>	<b>399,624</b>

### Reconciliation - Total Maintenance

Maintenance expenses - contracted labour and other (non-employee related), as above	7,966	7,735
Employee related maintenance expense included in Note 2(a)	-	-
<b>Total maintenance expenses included in Note 2(a) + 2(b)</b>	<b>7,966</b>	<b>7,735</b>

**(c) Depreciation and Amortisation Expense**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation		
- Buildings	602	760
- Plant and equipment	16,125	15,098
- Motor vehicles	110,251	128,986
- Leasehold improvements	7,717	5,917
	<b>134,695</b>	<b>150,761</b>
Amortisation		
- Intangible assets	33,133	23,858
Total depreciation and amortisation	<b>167,828</b>	<b>174,619</b>

**Revision in Accounting Estimates**

The useful lives of some plant and equipment assets were reassessed during the year resulting in the depreciation expense increasing by \$3.863 million.

**(d) Grants and Subsidies**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Tenancy Advice and Advocacy Program	5,016	6,984
Grants to Property NSW	177,660	26,241
Grants to Teacher Housing Authority	6,015	5,868
Grants to State Archives and Records Authority	6,410	908
Grants to Service NSW	337,754	387,675
Grants to Place Management NSW	52,427	13,917
Grants to NSW Government Telecommunications Authority	34,960	-
Jobs Action Plan Payroll Tax Rebates	161,160	257,554
Heritage Building Program Grant	6,551	6,392
Natural Disaster Relief Grant	8,939	12,144
Other Grants	25,487	21,185
	<b>822,379</b>	<b>738,868</b>

**(e) Finance Costs**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest on borrowings	<b>28,890</b>	<b>33,147</b>

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Book value of StateFleet motor vehicles sold	<b>77,250</b>	<b>99,630</b>

**(g) Other Expenses**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Compensation fund payments	1,226	-
Other minor expenses	-	171
	<b>1,226</b>	<b>171</b>

### 3. REVENUE

#### (a) Appropriations and Transfers to the Crown Entity

Summary of Compliance	2017 \$'000		2016 \$'000	
	Appropriation	Expenditure	Appropriation	Expenditure
<b>Original Budget Appropriation</b>				
• Appropriation Act	1,463,763	1,324,503	844,336	810,289
<b>Other Appropriations / Expenditure</b>				
• Additional appropriations				
• Transfer to/from another entity (per section 33 of the Appropriation Act)			118,293	118,293
• Treasurer's advance			30,000	30,000
<b>Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)</b>	<b>1,463,763</b>	<b>1,324,503</b>	<b>992,629</b>	<b>958,582</b>
Appropriation drawn down *		<b>1,336,554</b>		<b>958,582</b>
Liability to Consolidated Fund		<b>12,051</b>		-
* Comprising:				
Appropriations (per Statement of Comprehensive Income)		1,324,503		958,582
Liability to Consolidated Fund		12,051		-
		<b>1,336,554</b>		<b>958,582</b>

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

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

#### (b) Transfers to Crown Entity

	2017 \$'000	2016 \$'000
Land and Property Information	-	-
StateFleet Motor Vehicle Reserve	(18,089)	(15,671)
Prior year contribution retained from Crown <sup>1</sup>	-	68,584
	<b>(18,089)</b>	<b>52,913</b>

A contribution of \$114.072 million (2016: \$66.440 million) from the operating surpluses of non-budget funded business units of DFSI for the current financial year has been agreed with the Crown Entity (refer to Note 17). The dividend from Land and Property Information has been treated as part of the discontinued operations disclosure on the Statement of Comprehensive Income and therefore is shown as nil in this note.

<sup>1</sup> This relates to the Treasurer's letter to DFSI to retain the declared contribution for 2015 of \$68.584 million in the current financial year as funds for Revenue NSW to meet the Payroll Tax Rebate Scheme costs as part of the \$100 million funding of the increase in expenditure.



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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Mapping, spatial, surveying and related services	2,901	3,280
Project and asset management services	74,184	134,299
Valuation	21,549	21,246
Procurement Management Fee	192	6,891
Facilities Management Fee	24,730	17,390
Penalty notice fees	27,517	26,760
Business services fee	32,608	28,361
Motor vehicle leasing	142,263	182,133
Administrative assistance	27,229	27,313
Other goods and services	29,274	23,897
	<b>382,447</b>	<b>471,570</b>

**(d) Personnel Services Revenue**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
NSW Government Telecommunications Authority	6,011	3,829
Teacher Housing Authority	1,135	1,859
State Archives and Records Authority	15,530	12,511
Property NSW	38,741	25,316
State Insurance Regulatory Authority	34,360	44,474
Board of Surveying and Spatial Information	309	287
Waste Assets Management Corporation	5,762	4,008
Safety, Return to Work and Support	-	31,777
Place Management NSW	11,630	23,705
Building Professionals Board	2,585	2,513
Subsidence Advisory Board	5,454	3,475
NSW Self Insurance Corporation	15	942
	<b>121,532</b>	<b>154,696</b>

**(e) Investment Revenue**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest on investments	357	347
Interest on bank accounts	5,066	5,471
	<b>5,423</b>	<b>5,818</b>

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Statutory Interest	40,608	48,078
Building Licensing Fees	23,465	13,766
Owner Builder Permit Fees	1,448	1,407
Plumbing Inspection Fees	8,722	9,851
Motor Dealers Compensation Fees	1,558	1,919
Other fees, fines and penalties	7,419	6,439
	<b>83,220</b>	<b>81,460</b>

**(g) Grants and Contributions**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Voluntary Redundancy Grants (i)	17,181	36,178
Grants from State Insurance Regulatory Authority (ii) *	112,105	107,555
Natural Disaster Relief Grants	8,939	12,557
Loose Fill Asbestos Grants (iii)	18,632	-
Other	14,605	3,857
	<b>171,462</b>	<b>160,147</b>

(i) Treasury's funding for DFSI voluntary redundancies.

(ii) The operations of SafeWork are principally funded by the State Insurance Regulatory Authority. Each year, under Section 35 (1)(a1) of the Workplace Injury Management and Workers Compensation Act 1998, the Minister approves the payment of amounts from the Workers Compensation Insurance Fund to the Workers Compensation Operational Fund having regard to the budget of SafeWork. This payment is made monthly to reflect cash requirements of SafeWork provided the approved amount is not exceeded.

(iii) Treasury's funding for Loose Fill Asbestos Program.

\* In prior year, "Grants from State Insurance Regulatory Authority" was presented in Note 2(f) Retained Taxes, Fees and Fines, under the classification of 'Nominal Insurer Contributions'. In order to ensure the financial statements provide an accurate representation of DFSI operations the prior year balances were restated, in accordance with AASB 101.41.

**(h) 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:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Superannuation - defined benefit	8,315	12,051
Long service leave	4,044	8,709
Payroll tax	419	576
	<b>12,778</b>	<b>21,336</b>

**(i) Proceeds of Sale of Motor Vehicle Inventory**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Gross proceeds of sale of motor vehicles	96,237	118,849
Less: Selling costs	(2,285)	(2,867)
	<b>93,952</b>	<b>115,982</b>

**(j) Other Revenue**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Commissions on payroll deductions collected	9	9
Other	25,559	13,443
	<b>25,568</b>	<b>13,452</b>

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Gain/(loss) on disposal of property, plant & equipment and intangibles (other than StateFleet Motor Vehicles):		
Written down value of assets disposed/write off	(14,570)	(15,037)
Net gain/(loss) on disposal of property, plant & equipment and intangibles (other than StateFleet Motor Vehicles)	<b>(14,570)</b>	<b>(15,037)</b>

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Increase in allowance for impairment		
Sale of goods and services	(6,423)	(5,986)
Retained taxes, fees, fines and Other	(620)	(1,823)
Net other gains/(losses)	<b>(7,043)</b>	<b>(7,809)</b>

5. Service Group Statements for the year ended 30 June 2017

EXPENSES AND INCOME	Public Works* 2017 \$'000	Public Works* 2016 \$'000	Better Regulation* 2017 \$'000	Better Regulation* 2016 \$'000	Govt Services* 2017 \$'000	Govt Services* 2016 \$'000	ICT, Digital and Innovation* 2017 \$'000	ICT, Digital and Innovation* 2016 \$'000	Fair Trading* 2017 \$'000	Fair Trading* 2016 \$'000
<b>Expenses excluding losses</b>										
Operating Expenses										
• Employee related	64,038	111,134	123,172	53,623	21,301	39,106	15,448	28,085	61,180	77,175
• Other operating expenses	31,904	64,085	67,542	38,840	73,605	84,719	69,052	63,168	33,909	33,482
Depreciation and amortisation	957	1,821	3,933	820	118,524	139,111	3,030	2,840	7,687	7,312
Grants and subsidies	9,351	14,677	7,705	2,870	359	1,382	876	1,631	21,541	19,564
Finance costs	-	-	-	-	28,826	33,067	-	-	-	-
Book value of motor vehicles sold	-	-	-	-	77,250	99,630	-	-	-	-
Other expenses	-	-	-	171	-	-	-	-	1,226	-
<b>Total Expenses excluding losses</b>	<b>106,250</b>	<b>191,717</b>	<b>202,352</b>	<b>96,324</b>	<b>319,865</b>	<b>397,015</b>	<b>88,406</b>	<b>95,724</b>	<b>125,543</b>	<b>137,533</b>
<b>Revenue **</b>										
Appropriations	-	-	-	-	-	-	-	-	-	-
Transfers to Crown Entity	-	-	-	-	(18,089)	(15,671)	-	-	-	-
Sale of goods and services	82,673	142,874	20,803	13,453	151,874	198,212	40,316	36,118	27,788	24,911
Personnel services revenue	-	-	-	-	-	-	-	-	-	-
Investment revenue	-	7	964	697	357	351	-	4	3,876	4,468
Retained taxes, fees and fines	-	1	3,794	3,184	2	1	-	1	79,297	78,133
Grants and contributions	21,455	34,831	115,655	111,411	4,774	13,081	1,236	109	28,058	154
Acceptance by the Crown Entity of employee benefits and other liabilities	-	-	-	1,100	-	-	-	-	-	-
Proceeds from sale of motor vehicles	-	-	-	-	93,952	115,982	-	-	-	-
Other revenue	1,504	(78)	10,623	667	1,314	252	1,030	(1,199)	3,665	(1,804)
<b>Total Revenue</b>	<b>105,632</b>	<b>177,635</b>	<b>151,839</b>	<b>130,512</b>	<b>234,184</b>	<b>312,208</b>	<b>42,582</b>	<b>35,033</b>	<b>142,684</b>	<b>105,862</b>
Gain/(loss) on disposal	67	(512)	(120)	(21)	(9)	(12,713)	(17)	(292)	(12,708)	(494)
Other gains/(losses)	(5,823)	-	(854)	(770)	(29)	-	(23)	-	(81)	-
<b>Profit/(loss) from continuing operations</b>	<b>(6,441)</b>	<b>(14,594)</b>	<b>(51,487)</b>	<b>33,397</b>	<b>(85,719)</b>	<b>(97,520)</b>	<b>(45,864)</b>	<b>(60,983)</b>	<b>4,352</b>	<b>(32,165)</b>
<b>Discontinued operations</b>										
Profit from discontinued operations	-	-	-	-	-	-	-	-	-	-
<b>NET RESULT</b>	<b>(6,441)</b>	<b>(14,594)</b>	<b>(51,487)</b>	<b>33,397</b>	<b>(85,719)</b>	<b>(97,520)</b>	<b>(45,864)</b>	<b>(60,983)</b>	<b>4,352</b>	<b>(32,165)</b>
<b>Other comprehensive income</b>										
Net increase in investments	-	-	-	-	-	-	-	-	-	-
Net increase / (decrease) in asset revaluation reserve	-	-	-	429	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(6,441)</b>	<b>(14,594)</b>	<b>(51,487)</b>	<b>33,826</b>	<b>(85,719)</b>	<b>(97,520)</b>	<b>(45,864)</b>	<b>(60,983)</b>	<b>4,352</b>	<b>(32,165)</b>

EXPENSES AND INCOME (Continued)	Land & Property Information* 2017 \$'000	Land & Property Information* 2016 \$'000	State Revenue* 2017 \$'000	State Revenue* 2016 \$'000	Personnel Services* 2017 \$'000	Personnel Services* 2016 \$'000	Not Attributable 2017 \$'000	Not Attributable 2016 \$'000	Total 2017 \$'000	Total 2016 \$'000
<b>Expenses excluding losses</b>										
Operating Expenses										
• Employee related	56,163	58,729	143,543	146,343	129,665	172,997	-	-	614,510	687,192
• Other operating expenses	61,020	53,119	55,270	55,410	11,617	13,826	-	(7,025)	403,919	399,624
Depreciation and amortisation	13,754	8,615	19,943	14,100	-	-	-	-	167,828	174,619
Grants and subsidies	1,363	1,843	166,552	259,972	277,472	49,254	337,160	387,675	822,379	738,868
Finance costs	-	-	64	80	-	-	-	-	28,890	33,147
Book value of motor vehicles sold	-	-	-	-	-	-	-	-	77,250	99,630
Other expenses	-	-	-	-	-	-	-	-	1,226	171
<b>Total Expenses excluding losses</b>	<b>132,300</b>	<b>122,306</b>	<b>385,372</b>	<b>475,905</b>	<b>418,754</b>	<b>236,077</b>	<b>337,160</b>	<b>380,650</b>	<b>2,116,002</b>	<b>2,133,251</b>
<b>Revenue **</b>										
Appropriations	-	-	-	-	-	-	-	-	-	-
(Transfers to the Crown Entity)	-	-	-	68,584	-	-	1,324,503	958,582	1,324,503	958,582
Sale of goods and services	25,111	25,216	33,882	30,786	-	-	-	-	382,447	52,913
Personnel services revenue	-	-	-	-	121,532	154,696	-	-	121,532	471,570
Investment revenue	-	5	226	286	-	-	-	-	5,423	154,696
Retained taxes, fees and fines	1	1	126	139	-	-	-	-	83,220	5,818
Grants and contributions	133	146	151	191	-	224	-	-	171,462	81,460
Acceptance by the Crown Entity of employee benefits and other liabilities	1,705	2,237	4,143	9,443	-	-	6,930	8,556	12,778	21,336
Proceeds from sale of motor vehicles	-	-	-	-	-	-	-	-	93,952	115,982
Other revenue	3,487	5,761	3,945	10,534	-	(681)	-	-	25,568	13,452
<b>Total Revenue</b>	<b>30,437</b>	<b>33,366</b>	<b>42,473</b>	<b>119,963</b>	<b>121,532</b>	<b>154,239</b>	<b>1,331,433</b>	<b>967,138</b>	<b>2,202,796</b>	<b>2,035,956</b>
Gain/(loss) on disposal	(107)	(394)	(1,676)	(611)	-	-	-	-	(14,570)	(15,037)
Other gains/(losses)	(79)	(14)	(87)	-	-	-	-	(7,025)	(7,043)	(7,809)
<b>Profit/(loss) from continuing operations</b>	<b>(186)</b>	<b>(408)</b>	<b>(1,763)</b>	<b>(611)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,025)</b>	<b>(21,613)</b>	<b>(22,846)</b>
<b>Discontinued operations</b>	<b>(102,049)</b>	<b>(89,348)</b>	<b>(344,662)</b>	<b>(356,553)</b>	<b>(297,222)</b>	<b>(81,838)</b>	<b>994,273</b>	<b>579,463</b>	<b>65,181</b>	<b>(120,141)</b>
Profit from discontinued operations	13,383	51,618	-	-	-	-	-	-	13,383	51,618
<b>NET RESULT</b>	<b>(88,666)</b>	<b>(37,730)</b>	<b>(344,662)</b>	<b>(356,553)</b>	<b>(297,222)</b>	<b>(81,838)</b>	<b>994,273</b>	<b>579,463</b>	<b>78,564</b>	<b>(68,523)</b>
<b>Other comprehensive income</b>										
Net increase in investments	31,289	-	-	-	-	-	-	-	31,289	-
Net increase / (decrease) in asset revaluation reserve	-	507	-	-	-	-	-	2,503	-	3,439
<b>Total other comprehensive income</b>	<b>31,289</b>	<b>507</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,503</b>	<b>31,289</b>	<b>3,439</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(57,377)</b>	<b>(37,223)</b>	<b>(344,662)</b>	<b>(356,553)</b>	<b>(297,222)</b>	<b>(81,838)</b>	<b>994,273</b>	<b>581,966</b>	<b>109,853</b>	<b>(65,084)</b>

\* The names and purposes of each service group are summarised below.

\*\* 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

ASSETS AND LIABILITIES	Public Works* 2017 \$'000	Public Works* 2016 \$'000	Better Regulation* 2017 \$'000	Better Regulation* 2016 \$'000	Govt Services* 2017 \$'000	Govt Services* 2016 \$'000	ICT, Digital and Innovation* 2017 \$'000	ICT, Digital and Innovation* 2016 \$'000	Fair Trading* 2017 \$'000	Fair Trading* 2016 \$'000
<b>Current Assets</b>										
Cash and cash equivalents	5,060	16,804	82,170	76,157	34,388	76,593	3,591	9,305	286,312	252,783
Receivables	73,727	136,507	33,030	7,027	29,184	61,364	19,075	13,404	60,513	32,601
Inventories	-	-	-	-	2,764	3,201	-	-	-	-
<b>Total Current Assets</b>	<b>78,727</b>	<b>153,311</b>	<b>115,200</b>	<b>83,184</b>	<b>66,336</b>	<b>141,158</b>	<b>22,666</b>	<b>22,709</b>	<b>346,825</b>	<b>285,384</b>
<b>Non Current Assets</b>										
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	75	308	532	-	66	168	52	168	184	238
Property, plant and equipment	4,187	11,363	42,932	16,017	343,650	529,431	3,749	6,697	21,629	15,887
Intangible assets	1,200	2,651	11,567	1,062	2,424	5,995	15,537	16,530	11,255	15,200
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Non Current Assets</b>	<b>5,462</b>	<b>14,322</b>	<b>55,031</b>	<b>17,079</b>	<b>346,140</b>	<b>535,594</b>	<b>19,338</b>	<b>23,395</b>	<b>33,068</b>	<b>31,325</b>
<b>TOTAL ASSETS</b>	<b>84,249</b>	<b>167,633</b>	<b>170,231</b>	<b>100,263</b>	<b>412,476</b>	<b>676,752</b>	<b>42,004</b>	<b>46,104</b>	<b>379,893</b>	<b>316,709</b>
<b>Current Liabilities</b>										
Payables	79,797	129,549	28,696	20,563	34,178	56,714	17,631	25,347	42,494	49,634
Borrowings	-	-	-	-	153,991	148,864	-	-	-	-
Provisions	20,395	49,953	35,634	26,586	3,843	3,564	3,860	6,961	23,431	14,135
Other	2,110	8,519	34,892	-	15,052	12,771	1,376	5,536	4,944	6,504
<b>Total Current Liabilities</b>	<b>102,302</b>	<b>188,021</b>	<b>99,222</b>	<b>47,149</b>	<b>207,064</b>	<b>221,913</b>	<b>22,867</b>	<b>37,844</b>	<b>70,869</b>	<b>70,273</b>
<b>Non Current Liabilities</b>										
Borrowings	-	-	-	-	215,211	378,667	-	-	-	-
Provisions	1,643	4,871	3,613	-	529	971	4,114	1,195	2,003	1,364
Other	205	788	1,835	473	179	429	140	429	499	608
<b>Total Non Current Liabilities</b>	<b>1,848</b>	<b>5,659</b>	<b>5,448</b>	<b>473</b>	<b>215,919</b>	<b>380,067</b>	<b>4,254</b>	<b>1,624</b>	<b>2,502</b>	<b>1,972</b>
<b>TOTAL LIABILITIES</b>	<b>104,150</b>	<b>193,680</b>	<b>104,670</b>	<b>47,622</b>	<b>422,983</b>	<b>601,980</b>	<b>27,121</b>	<b>39,468</b>	<b>73,371</b>	<b>72,245</b>
<b>NET ASSETS</b>	<b>(19,901)</b>	<b>(26,047)</b>	<b>65,561</b>	<b>52,641</b>	<b>(10,507)</b>	<b>74,772</b>	<b>14,883</b>	<b>6,636</b>	<b>306,522</b>	<b>244,464</b>

\* The names and purposes of each service group are summarised below.

ASSETS AND LIABILITIES (Continued)	Land & Property Information* 2017 \$'000	Land & Property Information* 2016 \$'000	State Revenue* 2017 \$'000	State Revenue* 2016 \$'000	Personnel Services* 2017 \$'000	Personnel Services* 2016 \$'000	Total 2017 \$'000	Total 2016 \$'000
<b>Current Assets</b>								
Cash and cash equivalents	84,663	42,472	39,929	26,297	1,209	3,412	537,322	503,823
Receivables	27,309	12,653	13,022	4,992	43,494	19,561	299,354	288,109
Inventories	87	543	-	-	-	-	2,851	3,744
<b>Total Current Assets</b>	<b>112,059</b>	<b>55,668</b>	<b>52,951</b>	<b>31,289</b>	<b>44,703</b>	<b>22,973</b>	<b>839,527</b>	<b>795,676</b>
<b>Non Current Assets</b>								
Receivables	-	-	-	-	-	-	-	-
Inventories	521	362	198	294	-	-	1,628	1,538
Property, plant and equipment	19,075	18,271	19,175	22,094	-	-	454,397	619,760
Intangible assets	39,247	47,285	55,433	57,178	-	-	136,663	145,901
Other	40,922	9,633	-	-	-	-	40,922	9,633
<b>Total Non Current Assets</b>	<b>99,765</b>	<b>75,551</b>	<b>74,806</b>	<b>79,566</b>	<b>-</b>	<b>-</b>	<b>633,610</b>	<b>776,832</b>
<b>TOTAL ASSETS</b>	<b>211,824</b>	<b>131,219</b>	<b>127,757</b>	<b>110,855</b>	<b>44,703</b>	<b>22,973</b>	<b>1,473,137</b>	<b>1,572,508</b>
<b>Current Liabilities</b>								
Payables	16,451	9,957	12,605	6,698	3,416	18,046	235,268	316,508
Borrowings	-	-	-	-	-	-	153,991	148,864
Provisions	25,528	48,330	19,176	19,259	35,780	47,395	167,647	216,183
Other	148,063	45,297	19,251	8,214	197	340	225,885	87,181
<b>Total Current Liabilities</b>	<b>190,042</b>	<b>103,584</b>	<b>51,032</b>	<b>34,171</b>	<b>39,393</b>	<b>65,781</b>	<b>782,791</b>	<b>768,736</b>
<b>Non Current Liabilities</b>								
Borrowings	-	-	-	-	-	-	215,211	378,667
Provisions	1,061	1,155	1,200	1,516	638	655	14,801	11,727
Other	2,623,837	1,112	586	809	287	1	2,627,568	4,649
<b>Total Non Current Liabilities</b>	<b>2,624,898</b>	<b>2,267</b>	<b>1,786</b>	<b>2,325</b>	<b>925</b>	<b>656</b>	<b>2,857,580</b>	<b>395,043</b>
<b>TOTAL LIABILITIES</b>	<b>2,814,940</b>	<b>105,851</b>	<b>52,818</b>	<b>36,496</b>	<b>40,318</b>	<b>66,437</b>	<b>3,640,371</b>	<b>1,163,779</b>
<b>NET ASSETS</b>	<b>(2,603,116)</b>	<b>25,368</b>	<b>74,939</b>	<b>74,359</b>	<b>4,385</b>	<b>(43,464)</b>	<b>(2,167,234)</b>	<b>408,729</b>

\* The names and purposes of each service group are summarised below.

ADMINISTERED EXPENSES AND INCOME	Land & Property Information* 2017 \$'000	Land & Property Information* 2016 \$'000	State Revenue* 2017 \$'000	State Revenue* 2016 \$'000	Fair Trading* 2017 \$'000	Fair Trading* 2016 \$'000	Total 2017 \$'000	Total 2016 \$'000
Administered Expenses	-	-	430,914	436,068	-	-	430,914	436,068
Total Administered Expenses	-	-	430,914	436,068	-	-	430,914	436,068
Administered Revenues	-	-	27,680,041	25,487,083	-	-	27,680,041	25,487,083
Consolidated Fund	18	19	2,292,071	1,799,202	16,323	36,699	2,308,412	1,835,920
Licences, taxes, fees and fines								
Other								
Total Administered Revenues	18	19	29,972,112	27,286,285	16,323	36,699	29,988,453	27,323,003
Administered Revenues less Expenses	18	19	29,541,198	26,850,217	16,323	36,699	29,557,539	26,886,935

\* The names and purposes of each service group are summarised below.  
Administered Expenses and Revenues are disclosed in detail in Note 28 and 29 respectively.  
Administered Assets and Liabilities are disclosed in Note 27.



## **SERVICE GROUP DESCRIPTIONS**

### **(i) 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.

### **(ii) Public Works**

This service group provides expert advice and professional services in the commissioning, design, and delivery of community infrastructure and environmental projects. It also supports local communities experiencing emergency or natural disaster through Engineering Emergency Management response and the Natural Disaster Relief Arrangement scheme.

### **(iii) Government Services**

This service group is responsible for shared services to NSW Government agencies in the areas of procurement, records management and business support services. In addition, this service group manages the outsourced providers for state fleet after the adoption of the new fleet management model.

### **(iv) ICT, Digital and Innovation**

This service group drives whole-of-government strategies to achieve better value service delivery from ICT across the sector. This service group delivers ICT initiatives including data analytics, ICT strategy and policy, digital services, platforms and infrastructure, ICT procurement and ICT assurance.

### **(v) State Revenue**

This service group (now known as "Revenue NSW") covers revenue administration services, fines management, debt management, 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.

### **(vi) Land and Property Information**

This service group covers the provision of land titling, valuation, surveying, mapping and integrated spatial information services to the community, business and the Government. This group includes The Office of the Valuer General, who sets standards and policies for the land valuation system, monitors the quality of valuations provided to the community and regulates the professional valuation industry. The service group also includes the Office of the Registrar General with responsibility to oversee the operations of Titling and Registry Services and for legislative change and policy administration relating to the conveyancing industry.

### **(vii) Personnel Services**

This service group covers personnel services and grant funding to agencies within the Finance, Services and Innovation cluster.

### **(viii) Better Regulation**

This service group covers the regulatory bodies for motor accidents, workers' compensation and home building compensation insurance and for workplace safety. This group also delivers a new regulatory operating model that will make it easier for businesses to interact with government, reduce duplication and provide high quality regulatory services that protects communities, workplaces and consumers.

**6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	224,757	231,315
Motor vehicle reserve (refer Note 7)	29,965	28,180
Special purpose funds (refer Note 26)	282,600	244,328
	<b>537,322</b>	<b>503,823</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, motor vehicle reserve and special purpose funds.

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:

Cash and cash equivalents (per Statement of Financial Position)	<b>537,322</b>	<b>503,823</b>
Closing cash and cash equivalents (per Statement of Cash Flows)	<b>537,322</b>	<b>503,823</b>

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

**7. RESTRICTED ASSETS**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Motor vehicle reserve	<b>29,965</b>	<b>28,180</b>

The purpose of Motor vehicle reserve is to manage the residual risk of the fleet. The deposits from StateFleet are generally risk fees, overdue penalties and excess kilometre charges from client agencies. The Reserve Account target balance is \$10 million with an operating range of plus or minus \$10 million. Any Reserve Account funds in excess of \$20 million as at 31 December and 30 June are paid to Crown Entity. DFSI recognised a liability of \$9.9 million as at 30 June 2017 (30 June 2016: \$8.2 million).

**8. CURRENT / NON-CURRENT ASSETS - RECEIVABLES**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued bank interest	2,487	3,324
Long service leave reimbursable by the Crown Entity	44,000	50,453
Work in Progress (i)	3,636	118
Employee provisions recoverable from other agencies	3,467	1,714
Accrued income	36,810	24,429
Personnel Services receivable	12,710	14,056
Prepayments	12,129	9,111
Other	10,586	30,271
	<b>125,825</b>	<b>133,476</b>
Sale of goods and services	166,524	141,107
Less: Allowance for impairment	(12,493)	(6,036)
	<b>154,031</b>	<b>135,071</b>
Retained taxes, fees and fines	39,685	37,697
Less: Allowance for impairment	(20,427)	(19,093)
	<b>19,258</b>	<b>18,604</b>
Other	240	958
	<b>240</b>	<b>958</b>
<b>Total Current Receivables</b>	<b>299,354</b>	<b>288,109</b>

*Movement in the allowance for impairment*

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Sale of goods and services - allowance for impairment</u>		
Balance at beginning of year	6,036	331
Amounts written off	(330)	(51)
Amounts recovered	1	(233)
Increase/(decrease) in allowance recognised in profit or loss	6,786	5,989
Balance at end of year	<b>12,493</b>	<b>6,036</b>

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Retained taxes, fees and fines - allowance for impairment</u>		
Balance at beginning of year	19,093	14,257
Amounts transferred in due to administrative restructure	-	3,011
Amounts written off	-	-
Increase/(decrease) in allowance recognised in profit or loss	1,334	1,825
Balance at end of year	<b>20,427</b>	<b>19,093</b>

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**

DFSI acts as the principal in contracts for construction works undertaken for clients. The role of DFSI 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 \$7.3 million (30 June 2016: \$3.9 million). At 30 June 2017, work in the ground was valued at \$10.3 million (30 June 2016: \$45.4 million) and this accrual is reflected in current liabilities (refer Note 14).

The contract conditions allow DFSI to require performance bonds from the contractors in the form of cash deposit, unconditional bank guarantee or insurance bonds to cover DFSI against losses that may arise from uncompleted or faulty jobs.

The amounts due from customers for contract work are disclosed as an asset (Work in Progress) and the amount due to customers for contract work as a liability (Advance Claim). Gross Work in Progress and billings to date are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Gross work in progress at end of year	528,712	697,497
Billings to date	(517,803)	(693,483)
Net work in progress	10,909	4,014
Allowance for uncollectable work in progress	(7,273)	(3,896)
Work in progress as per Statement of Financial Position	<b>3,636</b>	<b>118</b>

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 DFSI's bank account to facilitate the payment of contractors' claims. The advances received from clients are disclosed as a liability. Cash received against advance claims is \$3.650 million as at 30 June 2017 (30 June 2016: \$10.580 million).

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Advance Claims as per Statement of Financial Position (refer Note 14)	<b>3,650</b>	<b>10,580</b>

#### 9. CURRENT / NON-CURRENT ASSETS - INVENTORIES

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Finished goods held for distribution - at cost	86	543
Motor vehicle inventory held for resale (refer Note 1(i)(xi))	2,765	3,201
	<b>2,851</b>	<b>3,744</b>
<b>Non-current</b>		
Finished goods held for distribution - at cost	<b>1,628</b>	<b>1,538</b>

#### 10. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-Current Assets</b>		
Available-for-sale investments (i) & (ii)	<b>40,922</b>	<b>9,633</b>

- (i) DFSI represents the NSW Government on the Board of Public Sector Mapping Authority Ltd (PSMA). DFSI 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) DFSI holds 8,915,423 (30 June 2016: 8,915,423) ordinary shares in the capital of Property Exchange Australia Limited (formerly known as 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 Property Exchange Australia Limited. The investment of \$40.9 million (30 June 2016: \$9.6 million) was re-measured at fair value as at 30 June 2017, having previously being recognised at cost.

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

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Total \$'000
<b>Fair value</b>					
<b>At 1 July 2016</b>					
Gross carrying amount	38,337	130,586	735,456	68,425	972,804
Accumulated depreciation and impairment	(1,308)	(98,182)	(216,643)	(36,911)	(353,044)
<b>Net carrying amount</b>	<b>37,029</b>	<b>32,404</b>	<b>518,813</b>	<b>31,514</b>	<b>619,760</b>
<b>30 June 2017</b>					
Gross carrying amount	44,712	138,984	560,633	84,033	828,362
Accumulated depreciation and impairment	(1,910)	(104,193)	(226,355)	(41,507)	(373,965)
<b>Net carrying amount</b>	<b>42,802</b>	<b>34,791</b>	<b>334,278</b>	<b>42,526</b>	<b>454,397</b>

## Reconciliation

A reconciliation 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:

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Total \$'000
<b>30 June 2017</b>					
Net carrying amount at beginning of year	37,029	32,404	518,813	31,514	619,760
Additions	6,375	41,686	6,306	3,021	57,388
Transfers to Motor Vehicle Inventory			(80,590)		(80,590)
Reclassification		(21,301)		16,609	(4,692)
Depreciation expense	(602)	(17,630)	(110,251)	(7,733)	(136,216)
Disposals/Write-offs		(368)		(885)	(1,253)
<b>Net carrying amount at end of year</b>	<b>42,802</b>	<b>34,791</b>	<b>334,278</b>	<b>42,526</b>	<b>454,397</b>

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 13.

	Land and Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Total \$'000
<b>Fair value</b>					
<b>At 1 July 2015</b>					
Gross carrying amount	103,779	174,809	737,426	60,792	1,076,806
Accumulated depreciation and impairment	(1,452)	(123,361)	(212,373)	(30,008)	(367,194)
<b>Net carrying amount</b>	<b>102,327</b>	<b>51,448</b>	<b>525,053</b>	<b>30,784</b>	<b>709,612</b>
<b>30 June 2016</b>					
Gross carrying amount	38,337	130,586	735,456	68,425	972,804
Accumulated depreciation and impairment	(1,308)	(98,182)	(216,643)	(36,911)	(353,044)
<b>Net carrying amount</b>	<b>37,029</b>	<b>32,404</b>	<b>518,813</b>	<b>31,514</b>	<b>619,760</b>

### Reconciliation

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

<b>30 June 2016</b>	<b>Land and Buildings \$'000</b>	<b>Plant and Equipment \$'000</b>	<b>Motor Vehicles \$'000</b>	<b>Leasehold Improvements \$'000</b>	<b>Total \$'000</b>
Net carrying amount at beginning of year	102,327	51,448	525,053	30,784	709,612
Additions	800	10,245	224,377	9,091	244,513
Assets transferred in due to administrative restructure	13,862	1,237	-	1,365	16,464
Transfer out (other Agencies)	(78,678)	(8,937)	-	-	(87,615)
Transfers to Motor Vehicle Inventory	-	-	(101,631)	-	(101,631)
Reclassification	-	(1,017)	-	(2,090)	(3,107)
Revaluation/(devaluation)	(490)	3,929	-	-	3,439
Depreciation expense	(762)	(17,447)	(128,986)	(5,917)	(153,112)
Disposals/Write-offs	(30)	(7,054)	-	(1,719)	(8,803)
<b>Net carrying amount at end of year</b>	<b>37,029</b>	<b>32,404</b>	<b>518,813</b>	<b>31,514</b>	<b>619,760</b>

## 12. INTANGIBLE ASSETS

	<b>Software \$'000</b>
<b>At 1 July 2016</b>	
Cost (gross carrying amount)	413,057
Accumulated amortisation and impairment	(267,156)
<b>Net carrying amount</b>	<b>145,901</b>

<b>At 30 June 2017</b>	
Cost (gross carrying amount)	437,193
Accumulated amortisation and impairment	(300,530)
<b>Net carrying amount</b>	<b>136,663</b>

### Reconciliation

A reconciliation of the cost of each class of intangible assets at the beginning and end of the current and previous reporting period is set out below:

<b>Year ended 30 June 2017</b>	<b>Software \$'000</b>
Net carrying amount at start of year	145,901
Additions – Internally generated	26,301
Additions – Externally acquired	5,120
Disposals/Write-offs	(4,257)
Amortisation	(40,757)
Reclassification	4,355
<b>Net carrying amount at end of year</b>	<b>136,663</b>

	<b>Software \$'000</b>
<b>At 1 July 2015</b>	
Cost (gross carrying amount)	425,081
Accumulated amortisation and impairment	(282,034)
<b>Net carrying amount</b>	<b>143,047</b>

	<b>Software \$'000</b>
<b>At 30 June 2016</b>	
Cost (gross carrying amount)	413,057
Accumulated amortisation and impairment	(267,156)
<b>Net carrying amount</b>	<b>145,901</b>

#### **Reconciliation**

A reconciliation of the cost of each class of intangible assets at the beginning and end of the current reporting period is set out below:

	<b>Software \$'000</b>
<b>Year ended 30 June 2016</b>	
Net carrying amount at start of year	143,047
Assets transferred in from administrative restructure	2,083
Additions – Internally generated	40,807
Additions – Externally acquired	8,019
Disposals/Write-offs	(6,457)
Amortisation	(34,004)
Reclassification	(7,594)
<b>Net carrying amount at end of year</b>	<b>145,901</b>

### **13. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS**

#### **(i) Fair Value Hierarchy**

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, DFSI has classified its non-financial assets into the three levels prescribed under "AASB 13 Fair Value Measurements".

	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>30 June 2017</b>				
Land	-	32,776	-	32,776
Buildings	-	10,026	-	10,026
<b>Net carrying amount</b>	<b>-</b>	<b>42,802</b>	<b>-</b>	<b>42,802</b>
<b>30 June 2016</b>				
Land	-	26,400	-	26,400
Buildings	-	10,629	-	10,629
<b>Net carrying amount</b>	<b>-</b>	<b>37,029</b>	<b>-</b>	<b>37,029</b>

There were no transfers between Level 1 or 2 during the year (2016: Nil).

#### **(ii) Valuation techniques used to determine Level 2 and Level 3 Fair Values**

DFSI obtains independent valuations for its land and buildings every three years. The last revaluation was completed on 30 June 2016.

At the end of each reporting period, DFSI updates its assessment of the fair value of its land and buildings, taking into account the most recent independent valuation.

The fair value of DFSI's land and buildings is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where such information is not available, the asset's fair value is measured at the market buying price, the best indicator of which is depreciated replacement cost. The level 2 fair value of land and buildings has been derived using the market approach. The key inputs under this approach are from the sales of comparable land and buildings in the area.

#### 14. CURRENT LIABILITIES - PAYABLES

	2017	2016
	\$'000	\$'000
Accrued salaries, wages and on-costs	6,982	9,582
Creditors	153,901	214,264
Advance claims (refer Note 8(i))	3,650	10,580
Amounts due to contractors for work in progress (refer Note 8(i))	10,347	45,409
Prepaid income	43,440	21,711
Other	16,948	14,962
	<b>235,268</b>	<b>316,508</b>

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

#### 15. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS

	2017	2016
	\$'000	\$'000
<b>Current Liabilities</b>		
TCorp borrowings	153,991	148,864
<b>Non-Current Liabilities</b>		
TCorp borrowings	215,211	378,667
<b>Total Borrowings</b>	<b>369,202</b>	<b>527,531</b>

DFSI has a loan facility with TCorp with a limit of \$650 million (30 June 2016: \$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 *Financial Instruments: Recognition and Measurement*.

Out of this facility, \$369 million was utilised as at 30 June 2017 (30 June 2016: \$528 million).

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 31.

#### 16. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

	2017	2016
	\$'000	\$'000
<b>Current</b>		
<b>Employee benefits and related on-costs</b>		
Annual leave	41,523	45,276
Long service leave	88,073	124,372
Other on-costs	26,551	35,142
	156,147	204,790
<b>Other Provisions</b>		
Provision for outstanding claims	4,661	4,661
Make good provisions	5,054	6,732
Other	1,785	-
	11,500	11,393
<b>Total Current Provisions</b>	<b>167,647</b>	<b>216,183</b>



	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-Current</b>		
Long service leave	3,545	4,271
Make good provisions	7,456	7,456
Other	3,800	-
<b>Total Non-current Provisions</b>	<b>14,801</b>	<b>11,727</b>
<b>Total Provisions</b>	<b>182,448</b>	<b>227,910</b>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions	156,147	205,074
Accrued salaries, wages and on-costs (Note 14)	6,982	12,000
	<b>163,129</b>	<b>217,074</b>
<b>Employee benefits expected to be settled within 12 months from reporting date</b>		
Annual leave	37,478	43,488
Long service leave	8,283	10,914
	<b>45,761</b>	<b>54,402</b>
<b>Employee benefits expected to be settled in more than 12 months from reporting date</b>		
Annual leave	4,045	1,788
Long service leave	79,790	113,458
	<b>83,835</b>	<b>115,246</b>
<b>Movements in provisions (other than employee benefits)</b>		
Movements in each class of provision during the year, other than employee benefits, are set out below:		
<b>Provision for outstanding claims</b>		
Carrying amount as at beginning of year	4,661	5,531
Increase/(decrease) in provision from remeasurement	-	(870)
Carrying amount at end of year	<b>4,661</b>	<b>4,661</b>
<b>Make good provisions</b>		
Carrying amount as at beginning of year	14,188	6,215
Increase/(decrease) in provision from remeasurement	(1,678)	7,973
Carrying amount at end of year	<b>12,510</b>	<b>14,188</b>
<b>Other provisions</b>		
Carrying amount as at beginning of year	-	-
Increase/(decrease) in provision from remeasurement	5,585	-
Carrying amount at end of year	<b>5,585</b>	-

**17. CURRENT / NON-CURRENT LIABILITIES - OTHER**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Contribution to Crown Entity	97,678	74,620
Liability to Consolidated Fund	12,051	-
Lease Incentive Liability	2,712	4,592
Torrens Assurance Fund and Ad Valorem Levy	9,873	6,105
Deferred Revenue – Service Concession	77,145	-
Other	26,426	1,864
	<b>225,885</b>	<b>87,181</b>
<b>Non-Current</b>		
Lease Incentive Liability	3,745	3,579
Deferred Revenue – Service Concession	2,622,961	-
Other	862	1,070
	<b>2,627,568</b>	<b>4,649</b>

## 18. DISCONTINUED OPERATIONS

### (a) Description

On 12 April 2017, the State entered into a 35 year concession with the private sector to facilitate the provision of land titling and registry services. Under the concession, the State received an up-front contribution of \$2.622 billion, which was repatriated to the Restart NSW Fund, and transferred employee liabilities to the private sector operator. As a result, the existing Titling & Registry Services (TRS) business has been reported as a discontinued operation. However, assets legally transferred to the operator are treated as controlled for accounting purposes by DFSI and accordingly, are recorded in the Department's balance sheet at their carrying values immediately prior to the concession commencement.

The results of the existing TRS business have been separately disclosed and the comparative financial information in the Statement of Other Comprehensive Income has been restated to present the TRS business as a discontinued operation.

See Note 1 (q) for the measurement bases and other accounting policies applicable to the continuing service concession arrangement.

### (b) Financial performance and cashflow information

	2017 \$'000	2016 \$'000
<b>Expenses excluding losses</b>		
Operating Expenses		
Employee related	40,012	42,075
Other operating expenses	24,760	23,484
Depreciation and amortisation	9,145	12,497
Grants and subsidies	-	377
<b>Total Expenses excluding losses</b>	<b>73,917</b>	<b>78,433</b>
<b>Revenue</b>		
(Transfers to the Crown Entity)	(114,072)	(66,440)
Sale of goods and services	200,496	194,484
Acceptance by the Crown Entity of employee benefits and other liabilities	2,049	2,295
Other revenue	173	144
<b>Total Revenue</b>	<b>88,646</b>	<b>130,483</b>
Gain/(loss) on disposal	(980)	(425)
Other gains/(losses)	(366)	(7)
	<b>(1,346)</b>	<b>(432)</b>
<b>Profit from discontinued operations</b>	<b>13,383</b>	<b>51,618</b>
<b>Cash flows from Discontinued Operations</b>		
Net cash inflow from operating activities	23,508	64,540
Net cash inflow from investing activities	(10,125)	(12,922)
	<b>13,383</b>	<b>51,618</b>

# 19. INCREASE/DECREASE IN NET ASSETS FROM EQUITY TRANSFERS

Year ended 30 June 2017

	<b>Titling and Registry Services Service Concession Arrangement (a) \$'000</b>	<b>Transfer of Plant and Equipment to Office of Environment and Heritage (b) \$'000</b>	<b>Total  \$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents	(2,622,822)	-	(2,622,822)
<b>Total Current Assets</b>	<b>(2,622,822)</b>	<b>-</b>	<b>(2,622,822)</b>
<b>Non Current Assets</b>			
Property, plant and equipment	-	(3,517)	(3,517)
<b>Total Non Current Assets</b>	<b>-</b>	<b>(3,517)</b>	<b>(3,517)</b>
<b>TOTAL ASSETS</b>	<b>(2,622,822)</b>	<b>(3,517)</b>	<b>(2,626,339)</b>
<b>Current Liabilities</b>			
Provisions	(59,477)	-	(59,477)
<b>Total Current Liabilities</b>	<b>(59,477)</b>	<b>-</b>	<b>(59,477)</b>
<b>TOTAL LIABILITIES</b>	<b>(59,477)</b>		<b>(59,477)</b>
<b>Increase/(Decrease) in Nets Assets from Equity Transfer</b>	<b>(2,682,299)</b>	<b>(3,517)</b>	<b>(2,685,816)</b>

- (a) Transfer of defined benefit superannuation liabilities from the Crown Entity and repatriation of upfront cash concession contribution to Treasury, which was paid directly to Restart NSW.
- (b) Transfer of constructed asset paid for by agency outside of consolidated group

**Year ended 30 June 2016**

	SafeWork NSW (b)	Mine Subsidence Board (a)	Building Professionals Board (a)	Sydney Harbour Foreshore Authority (a)	Charitable Fundraising Act (a)	Professional Standards Act (a)	Government Architects Office (c)	Transfer of Land and Buildings in LPI to GPNSW (d)	Safety and Return to Work (b)	NSW Self Insurance Corporation (e)	Transfer Superannuation Liability to Treasury (f)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>												
Cash and cash equivalents	21,629	-	-	-	-	-	-	-	-	-	-	21,629
Receivables	3,931	1,177	177	6,625	-	875	(25)	-	(64,191)	(1,640)	-	(53,071)
<b>Total Current Assets</b>	<b>25,560</b>	<b>1,177</b>	<b>177</b>	<b>6,625</b>	-	<b>875</b>	<b>(25)</b>	-	<b>(64,191)</b>	<b>(1,640)</b>	-	<b>(31,442)</b>
<b>Non Current Assets</b>												
Receivables	-	7,310	-	9,704	-	-	-	-	-	-	(179,151)	(162,137)
Property, plant and equipment	16,020	-	-	-	-	444	-	(87,615)	-	-	-	(71,151)
Intangible assets	843	-	-	-	-	1,240	-	-	-	-	-	2,083
Other	242	-	-	-	-	-	-	-	-	-	-	242
<b>Total Non Current Assets</b>	<b>17,105</b>	<b>7,310</b>	-	<b>9,704</b>	-	<b>1,684</b>	-	<b>(87,615)</b>	-	-	<b>(179,151)</b>	<b>(230,963)</b>
<b>TOTAL ASSETS</b>	<b>42,665</b>	<b>8,487</b>	<b>177</b>	<b>16,329</b>	-	<b>2,559</b>	<b>(25)</b>	<b>(87,615)</b>	<b>(64,191)</b>	<b>(1,640)</b>	<b>(179,151)</b>	<b>(262,405)</b>
<b>Current Liabilities</b>												
Payables	1,572	-	-	579	-	229	-	-	-	-	-	2,380
Provisions	23,169	1,177	177	5,776	48	122	(25)	-	-	-	-	30,444
<b>Total Current Liabilities</b>	<b>24,741</b>	<b>1,177</b>	<b>177</b>	<b>6,355</b>	<b>48</b>	<b>351</b>	<b>(25)</b>	-	-	-	-	<b>32,824</b>
<b>Non Current Liabilities</b>												
Payables	243	-	-	-	-	-	-	-	-	(1,640)	(856,017)	243
Provisions	636	7,310	-	9,974	-	-	-	-	(64,191)	-	-	(903,928)
Other	520	-	-	-	-	-	-	-	-	-	-	520
<b>Total Non Current Liabilities</b>	<b>1,399</b>	<b>7,310</b>	-	<b>9,974</b>	-	-	-	-	<b>(64,191)</b>	<b>(1,640)</b>	<b>(856,017)</b>	<b>(903,165)</b>
<b>TOTAL LIABILITIES</b>	<b>26,140</b>	<b>8,487</b>	<b>177</b>	<b>16,329</b>	<b>48</b>	<b>351</b>	<b>(25)</b>	-	<b>(64,191)</b>	<b>(1,640)</b>	<b>(856,017)</b>	<b>(870,341)</b>
<b>Increase/(Decrease) in Nets Assets from Equity Transfer</b>	<b>16,525</b>	-	-	-	(48)	2,208	-	(87,615)	-	-	676,866	<b>607,936</b>

(a) Transfers in as at 1 July 2015 as per the Administrative Arrangements (Administrative Changes – Public Service Agencies) Order (No. 2) 2015, please refer to Note 1(a) for details.

(b) The establishment of the State Insurance and Care Governance Act 2015, which commenced on 1 September 2015, resulted in the creation of new government organisations. SafeWork NSW is a fully consolidated division of DFSI. Safety and Return to Work was transferred out of DFSI as a result of this. Please refer to Note 1(a) for details.

(c) Transfer out of employees within Government Architects Office to Department of Planning and Environment at 15 January 2016.

(d) Land and Property Information (LPI) transferred a significant portion of its Land and Buildings to Government Property NSW (GPNSW), as per Government Property NSW Amendment (Transfer of Property) Order (No. 3) 2016.

(e) Transfer out of employees within NSW Self Insurance Corporation to iCare effective from 1 September 2015.

(f) Transfer of Superannuation liability to Crown Entity.

## 20. COMMITMENTS FOR EXPENDITURE

### (a) Capital Commitments

	2017 \$'000	2016 \$'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	5,553	10,027
Later than one year and not later than five years	-	34
<b>Total (including GST)</b>	<b>5,553</b>	<b>10,061</b>

### (b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	54,979	57,862
Later than one year and not later than five years	187,311	160,704
Later than five years	115,453	40,620
<b>Total (including GST)</b>	<b>357,743</b>	<b>259,186</b>

The total commitments above include input tax credits of \$33.0 million (30 June 2016: \$24.5 million) that are expected to be recovered from the Australian Taxation Office.

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

### Property Leases

Accommodation leases are entered into with Property NSW (formerly known as 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 fees and public liability insurance is the responsibility of DFSI and all repairs and maintenance of a structural or capital nature is the responsibility of the lessor.

### Equipment Leases

DFSI 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 a further term. An 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 lease term is for 10 years and DFSI will manage this lease commitment on behalf of the government. 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.

## 21. LEASE REVENUE COMMITMENTS

	2017 \$'000	2016 \$'000
Aggregate lease revenue for StateFleet motor vehicles:		
Not later than one year	92,690	143,005
Later than one year and not later than five years	52,010	143,464
Later than five years	-	-
<b>Total (including GST)</b>	<b>144,700</b>	<b>286,469</b>

The above lease commitment includes GST of \$13.2 million (30 June 2016: \$26.0 million) payable 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 a vehicle. When the client returns the vehicle there is no residual liability on sale.

## 22. CONTINGENT ASSETS AND LIABILITIES

### (a) Contingent Assets

#### Shared Services contracts

DFSI may be entitled to a refund if it is determined that the services it receives during the assessment period were lower than the estimated volumes outlined in the contracts. The amounts cannot be accurately determined as the assessment period is based on the calendar year.

DFSI is not aware of any further contingent assets as at reporting date.

### (b) Contingent Liabilities

#### Shared Services contracts

DFSI may be liable for additional payments if it is determined that the services it receives during the assessment period exceed the estimated volumes outlined in the contracts. The amounts cannot be accurately determined as the assessment period is based on the calendar year.

#### Insurance Claims

DFSI 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.

#### Torrens Assurance Fund

The Torrens Assurance Fund, a special deposit account operated by DFSI (refer Note 26), has 16 outstanding claims. DFSI estimates the amount payable as a result of these claims to be \$13.6 million.

DFSI is not aware of any further contingent liabilities as at reporting date.

## 23. BUDGET REVIEW

### Net result

The actual net result for DFSI for 2017 is a surplus of \$78.6 million (2016: \$68.5 million deficit) which was favourable to the budgeted net result by \$62.9 million. The major variations to budgets are:

Total Revenue was \$234.6 million unfavourable to budget, mainly in appropriations, retained taxes, fees and fines, and sale of goods and services.

Appropriations decrease of \$139.3 million mostly due to lower Job Action Plan Payroll Tax rebates. The retained taxes, fees and fines decrease of \$111.9 million was largely due to a reclassification amount for Safework where the budget includes \$121 million in retained taxes while the actual amount is in grants and contributions. The decrease of \$219.7 million in sale of goods and services is attributed to the decline in motor vehicle leasing and project and asset management services.

Total Expenses were \$304.4 million favourable to budget, primarily due to reduced costs associated with particular grants, for example the Jobs Action Plan Payroll Tax Rebate and lower employee related costs.

### Assets and liabilities

Net Liabilities: The actual net liability of \$2,167.2 million (2016: \$408.7 million net assets) was unfavourable to budget by \$2,685 million and was primarily due to the deferred revenue from the Titling & Registry Services concession.

Total Assets were favourable to budget by \$95.1 million mainly due to the revaluation of the investment in Property Exchange Australia Limited resulting in an increment of \$31.3 million. Further increases were noted in cash and debtor balances offset by reductions in property, plant and equipment balances.

Total Liabilities were higher than budget by \$2,779.9 million mainly due to the service concession arrangement of the land titling and registry services was completed on 30 June 2017 which resulted in an upfront contribution of \$2,623 million being repatriated to Treasury via an equity transfer and an unearned income liability being recognised in the DFSI financial statements. This transaction was not included in the budget.

Reserves are higher to budget by \$14.5 million from the increased valuation increment recognised on the Property Exchange Australia Limited share investment.

### Cash flows

Net increase in cash during the year is \$33.5 million compared to a budgeted net increase in cash of \$11.7 million. The favourable variance of \$21.8 million is a combination of increased net cash inflows from operating activities and lower than budgeted expenditure on capital programs, particularly intangible assets.

## 24. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash used on operating activities</b>	283,774	223,399
Depreciation and amortisation	(176,973)	(187,116)
Net gain/(loss) on sale of plant and equipment	(15,550)	(15,462)
Increase/(decrease) in receivables	15,959	(11,268)
(Increase)/decrease in inventories	(71,310)	(1,889)
(Increase)/decrease in payables	76,526	(29,846)
(Increase)/decrease in provisions	27,655	(42,553)
(Increase)/decrease in other liabilities	(61,517)	(3,788)
<b>Net result</b>	<b>78,564</b>	<b>(68,523)</b>

## 25. TRUST FUNDS

### (a) Funeral Fund

DFSI administers money in a Miscellaneous Trust Fund held at NSW 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 DFSI cannot use them for the achievement of its objectives. The following is a summary of the balance in the trust account:

	2017 \$'000	2016 \$'000
Funeral Fund	-	111

### (b) Land Acquisition (Just Terms Compensation) Trust

Under Section 51 of the *Land Acquisition (Just Terms Compensation) Act 1991*, DFSI is required to pay any unpaid compensation into a Trust Account. These monies are excluded from the financial statements as DFSI cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account:

	2017 \$'000	2016 \$'000
Cash balance at beginning of year	293	287
Add: Receipts	5	6
Less: Payments	(298)	-
Cash balance at end of year	-	293

### (c) Unclaimed Money Trust Accounts

As at 30 June 2017

	Testamentary & Trust Common Fund \$'000	Testamentary & Trust Interest \$'000	Total \$'000
Cash balance at beginning of year	4,345	11,189	15,534
Add: Receipts	29	269	298
Less: Transfers to Crown	-	-	-
Cash balance at end of year	4,374	11,458	15,832

As at 30 June 2016

	Testamentary & Trust Common Fund \$'000	Testamentary & Trust Interest \$'000	Total \$'000
Cash balance at beginning of year	4,345	10,871	15,216
Add: Receipts	-	318	318
Less: Transfers to Crown	-	-	-
Cash balance at end of year	4,345	11,189	15,534

Under Section 26 of the *Trustee Companies Act 1964* unclaimed monies are paid into the testamentary and trust common fund held by Revenue NSW. Interest received from investments from the common fund is credited to the interest account.

Companies liquidation represents amounts received from the disposal of property under Section 462 of the *Companies (New South Wales) Code*.



**(d) State Debt Recovery (SDR) Client Funds Account - Fines**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash balance at beginning of year	18,014	17,416
Add: Receipts	159,123	152,728
Less: Payments	(158,297)	(152,130)
Cash balance at end of year	<b>18,840</b>	<b>18,014</b>

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

**(e) SDR Public Monies Accounts - Fines**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash balance at beginning of year	27,692	28,346
Add: Receipts	322,591	338,550
Less: Payments	(319,596)	(339,204)
Cash balance at end of year	<b>30,687</b>	<b>27,692</b>

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

**(f) SDR Civil Debt**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash balance at beginning of year	574	34
Add: Receipts	18,198	14,051
Less: Payments	(18,380)	(13,511)
Cash balance at end of year	<b>392</b>	<b>574</b>

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

## 26. SPECIAL PURPOSE FUNDS ADMINISTERED BY THE DEPARTMENT OF FINANCE, SERVICES AND INNOVATION

These funds are included within DFSI's Statement of Financial Position.

	Motor Dealers Compensation Fund \$'000	Property Services Compensation Fund \$'000	Property Statutory Interest Account \$'000	Home Building Administration Fund \$'000	Torrens Assurance Fund \$'000	Total \$'000
<b>2017</b>						
Balance at beginning of year	14,878	9,206	209,779	4,360	6,105	244,328
Receipts	1,820	3,120	44,880	35,647	3,831	89,298
Expenditure	-	(2,704)	(29,604)	(18,655)	(63)	(51,026)
<b>Balance at end of year</b>	<b>16,698</b>	<b>9,622</b>	<b>225,055</b>	<b>21,352</b>	<b>9,873</b>	<b>282,600</b>
<b>2016</b>						
Balance at beginning of year	12,779	11,417	186,720	1,476	4,708	217,100
Receipts	2,155	2,352	51,850	16,256	3,738	76,351
Expenditure	(56)	(4,563)	(28,791)	(13,372)	(2,341)	(49,123)
<b>Balance at end of year</b>	<b>14,878</b>	<b>9,206</b>	<b>209,779</b>	<b>4,360</b>	<b>6,105</b>	<b>244,328</b>

The *Motor Dealers Act 1974* was repealed on 1 December 2014 and was replaced by the *Motor Dealers and Repairers Act 2013*. The *Motor Dealers and Repairers Act 2013* established the **Motor Dealers and Repairers 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 DFSI.

The account is used to meet the costs of administering the *Property, Stock and Business Agents Act 2002* and various other Acts, supplement the Compensation Fund when required, pay grants to various government and non-government agencies and invest in schemes to provide residential accommodation.

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 a 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.

## 27. ADMINISTERED ASSETS AND LIABILITIES

	2017 \$'000	2016 \$'000
<b>Administered Assets</b>		
Licensing Fees	412	-
Taxes and fines receivable (i)	1,652,359	1,254,257
	1,652,771	1,254,257
Less:		
Allowance for impairment – taxes and fines (ii)	(305,783)	(255,073)
Amounts not meeting asset recognition criteria - fines	(48,173)	(59,563)
	(353,956)	(314,636)
<b>Total Administered Assets</b>	<b>1,298,815</b>	<b>939,621</b>
<b>Administered Liabilities</b>		
Penalties and Unclaimed Monies	651	-
Taxes and fines paid in advance / overpayments	40,864	37,919
<b>Total Administered Liabilities</b>	<b>41,515</b>	<b>37,919</b>

- (i) Taxes and fines receivable at 30 June 2017 includes \$135.3 million (30 June 2016: \$144.1 million) in time to pay arrangements with a finalisation date extending beyond twelve months.

- (ii) *Movement in the allowance for impairment*

	2017 \$'000	2016 \$'000
<u>Taxes and Fines</u>		
Balance at beginning of the year	255,073	207,516
Increase in provisions	126,972	132,846
Amounts used during the year	(76,262)	(85,289)
<b>Balance at end of the year</b>	<b>305,783</b>	<b>255,073</b>

## 28. ADMINISTERED EXPENSES - OTHER

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

	2017 \$'000	2016 \$'000
Act of Grace payments	1,650	602
Court imposed interest payments	3,125	1,656
Unclaimed money refund - s14 <i>Public Finance and Audit Act</i>	181	122
Bad debts expense (i)	126,972	132,847
Land tax discounts (ii)	27,387	25,775
GST rebate - Clubs (iii)	15,291	15,620
First Home Owners Grant Scheme (FHOGS) (iv)	120,268	137,374
NSW New Home Grant Scheme (v)	80,120	74,700
Regional relocation grant (vi)	2,380	6,782
Payroll Tax Disability Rebate	-	4
Solutium payments (vii)	15,581	-
Remissions (viii)	37,959	40,586
<b>Total administered expenses</b>	<b>430,914</b>	<b>436,068</b>

- (i) **Bad debts expense** – This includes \$15.2 million (2015/16 \$10.9 million) in Work Development Orders (WDO's). WDO's allow customers to clear their fines through unpaid work, courses and treatment programs with approved WDO sponsors.
- (ii) **Land tax discounts** - a 1.5% discount is offered to land tax clients for full payment of their liability by the first instalment date.
- (iii) **GST rebate to 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.
- (iv) **First Home Owners Grant Scheme** – the First Home Owners Grant eligibility criteria changed in October 2012 to assist eligible first home owners to purchase a new home or build their home. Prior to the change, the grant was also payable in respect of an existing dwelling.
- (v) **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.
- (vi) **Regional relocation grant** - The grant assists applicants with the cost of relocating from their metropolitan home. The Regional Relocation Home Buyers Grant closed on 30 September 2014. The Skilled Regional Relocation Incentive closed on 30 June 2015.
- (vii) **Solutium payments** - Compensation paid to applicants whose property was acquired by a NSW government authority. To be eligible for payment, the date of exchange of contracts in relation to an agreed land acquisition, or the date of gazettal of notice of compulsory acquisition, must be on or after 26 February 2014 and before or on 17 October 2016.
- (viii) **Remissions** - in accordance with the *Taxation Administration (Act) 1996* administered by Revenue NSW, the Chief Commissioner or his delegate has the discretionary power to remit partially or wholly a statutory penalty and/or interest.

## 29. ADMINISTERED INCOME - CROWN ENTITY

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

### (a) Revenue earned

	Actual 2017 \$'000	Actual 2016 \$'000
<b>Taxes, penalties and interest</b>		
Duties (i)	12,193,845	10,843,654
Parking space levy (i)	105,675	105,243
Payroll tax (i)	9,390,285	8,986,133
Land tax (i)	3,233,798	2,809,961
Health insurance levy (i)	198,520	193,271
<b>Sub total</b>	<b>25,122,123</b>	<b>22,938,262</b>
<b>Gaming and racing</b>		
Lotteries	346,223	362,126
Keno tax	16,762	15,213
Totalizator tax on and off course totes	69,750	93,843
Fixed odds sports betting	10,417	12,167
Fixed odds racing betting	26,746	27,581
Footy TAB	483	557
Club gaming devices (i) (iii)	772,584	775,003
Hotel gaming devices (i) (iii)	730,315	679,861
<b>Total gaming and racing</b>	<b>1,973,280</b>	<b>1,966,351</b>
<b>Total taxes, penalties and interest</b>	<b>27,095,403</b>	<b>24,904,613</b>
<b>Fines (ii)</b>		
Motor traffic fines	466,933	439,766
Fees	68,953	80,279
Court fines	42,152	45,125
Other fines	6,600	17,300
<b>Total fines</b>	<b>584,638</b>	<b>582,470</b>
<b>Total taxes, fines, penalties and interest</b>	<b>27,680,041</b>	<b>25,487,083</b>
<b>Other</b>		
Tax equivalents (i)	556,381	574,073
Mineral royalties (i)	1,587,750	1,189,372
Emergency Services Levy (iv)	127,122	-
Certificate and licences	16,323	36,699
Torrens Assurance Fund and Ad Valorem Levy	18	19
Unclaimed money	20,149	30,521
Other revenue	669	5,236
<b>Total other</b>	<b>2,308,412</b>	<b>1,835,920</b>
<b>Total revenue earned</b>	<b>29,988,453</b>	<b>27,323,003</b>

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

	Actual 2017 \$'000	Actual 2016 \$'000
Duties	45,393	32,012
Parking space levy	2,545	2,239
Payroll tax	65,641	70,389
Land tax	17,746	19,770
Tax equivalents	-	1,217
Health insurance levy	26	109
Club gaming devices	251	339
Hotel gaming devices	448	385
Mineral royalties	633	43
<b>Total</b>	<b>132,683</b>	<b>126,503</b>

(ii) An amount of \$4.8 million has been recovered in fines revenue (2016: \$7.3 million) for the current year previously considered unrecoverable in prior years.

- (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.
- (iv) Collection of Emergency Services Levy for council contributions transferred to Revenue NSW from the Department of Justice Office of Emergency Management in 2017. Assessments must be issued by 30 April for the following financial year.

**(b) Revenue collected**

	<b>Actual 2017 \$'000</b>	<b>Actual 2016 \$'000</b>
<b>Taxes, penalties and interest</b>		
Duties	12,055,624	10,902,942
Parking space levy (i)	107,433	102,514
Payroll tax	9,301,446	8,879,766
Land tax	3,134,357	2,772,928
Health insurance levy	198,514	193,226
<b>Sub total</b>	<b>24,797,374</b>	<b>22,851,376</b>
<b>Gaming and racing</b>		
Lotteries	346,871	362,126
Keno tax	16,762	15,213
Totalizator tax on and off course totes	69,750	93,844
Fixed odds sports betting	10,417	12,167
Fixed odds racing betting	26,746	27,581
Footy TAB	483	557
Club gaming devices	774,107	777,138
Hotel gaming devices	730,011	679,469
<b>Total gaming and racing</b>	<b>1,975,147</b>	<b>1,968,095</b>
<b>Total taxes, penalties and interest</b>	<b>26,772,521</b>	<b>24,819,471</b>
<b>Fines</b>		
Motor Traffic fines	418,994	411,141
Fees	47,115	57,047
Court fines	23,503	22,526
Other fines	4,013	6,523
<b>Total fines</b>	<b>493,625</b>	<b>497,237</b>
<b>Total taxes, fines, penalties and interest</b>	<b>27,266,146</b>	<b>25,316,708</b>
<b>Other</b>		
Tax equivalents	556,381	572,117
Mineral royalties	1,579,778	1,188,594
Certificate and licences (ii)	21,014	48,201
Torrens Assurance Fund and Ad Valorem Levy	18	15
Unclaimed money	20,149	30,521
Other revenue	669	5,236
<b>Total other</b>	<b>2,178,009</b>	<b>1,844,684</b>
<b>Total revenue collected (iii)</b>	<b>29,444,155</b>	<b>27,161,392</b>

- (i) Revenue NSW collects parking space levy imposed under the *Parking Space Levy Act 2009* on behalf of Transport for NSW. Revenue NSW is reimbursed by Transport for NSW for refunds paid.
- (ii) Certificate and Licences income includes income received in advance of \$13.8 million as at 30 June 2017 (2016: \$11.5 million) due to the introduction of three year home building licences.
- (iii) Amounts totalling \$46.6 million paid on 30 June 2017 and transferred to the Crown Entity in July 2017 are included in the above figures.

### 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 DFSI in the normal course of activities. A settlement estimate for administered contingent liabilities cannot be reliably determined. There are no administered contingent assets.

### 31. FINANCIAL INSTRUMENTS

DFSI's principal financial instruments are outlined below. These financial instruments arise directly from DFSI's operations or are required to finance DFSI's operations. DFSI does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

DFSI's main risks arising from financial instruments are outlined below, together with DFSI's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Secretary 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 DFSI, to set risk limits and controls and to monitor risks.

#### (a) Financial Instrument Categories

			2017 \$'000	2016 \$'000
Financial Assets	Note	Category	Carrying Amount	Carrying Amount
Class: Cash and cash equivalents	6	Not applicable	537,322	503,823
Receivables(i)	8	Loans and receivables (at amortised cost)	220,660	206,416
Other financial assets	10	Available-for-sale financial assets (as fair value)	40,922	9,633
Financial Liabilities	Note	Category		
Class: Payables(ii)	14	Financial liabilities measured at amortised cost	185,751	282,742
Borrowings	15	Financial liabilities measured at amortised cost	369,202	527,531

(i) Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

(ii) Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

#### (b) Credit Risk

Credit risk arises when there is the possibility of DFSI's debtors defaulting on their contractual obligations, resulting in a financial loss to DFSI. 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 DFSI, including cash, receivables, and authority deposits. No collateral is held by DFSI. DFSI has not granted any financial guarantees.

Credit risk associated with DFSI's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

#### 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.

## 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.

DFSI 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 (2017: \$113.7 million; 2016: \$139.3 million) and less than three months past due (2017: \$40.6 million; 2016: \$15.9 million) are not considered impaired and together these represent 69.9% (2016: 75.2%) of the total trade debtors.

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.

	<b>Total<sup>1,2</sup> \$'000</b>	<b>Past Due But Not Impaired<sup>1,2</sup> \$'000</b>	<b>Considered Impaired<sup>1,2</sup> \$'000</b>
<b>2017</b>			
< 3 months overdue	40,611	40,231	380
3 months - 6 months overdue	5,461	4,934	527
> 6 months overdue	60,858	28,845	32,013
<b>2016</b>			
< 3 months overdue	15,878	15,868	10
3 months - 6 months overdue	6,536	6,536	-
> 6 months overdue	44,706	19,588	25,118

### Notes:

- Each column in the table reports "gross receivables".
- The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the Statement of Financial Position.

## Liquidity Risk

Liquidity risk is the risk that DFSI will be unable to meet its payment obligations when they fall due. DFSI 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.

DFSI has a loan facility with TCorp with a limit of \$650 million to fund the StateFleet Leasing Arrangement. Out of this facility \$369 million was utilised as at 30 June 2017 (30 June 2016: \$528 million).

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. DFSI's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of 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 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 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 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 6.00% (2016: 6.15%).



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

	Weighted Average Effective Interest Rate	\$'000 Nominal Amount (i)	Interest Rate Exposure			\$'000 Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	< 1 Year	1-5 Years	> 5 Years
<b>2017</b> Payables Borrowings TCorp borrowings	0.00%	185,751	-	-	185,751	185,751	-	-
	6.00%	406,636	406,636	-	-	192,495	214,141	-
	-	592,387	406,636	-	185,751	378,246	214,141	-
<b>2016</b> Payables Borrowings TCorp borrowings	0.00%	282,742	-	-	282,742	282,742	-	-
	6.15%	579,469	579,469	-	-	217,823	361,646	-
	-	862,211	579,469	-	282,742	500,565	361,646	-

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.

(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. DFSI's exposures to market risk are primarily through interest rate risk on DFSI's borrowings. DFSI 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 DFSI 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 is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

**Interest Rate Risk**

Exposure to interest rate risk arises primarily through DFSI's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. DFSI 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 +/- 1.0% 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. DFSI's exposure to interest rate risk is set out below.

	\$'000				
	Carrying Amount	Net Result -1.0%	Equity -1.0%	Net Result +1.0%	Equity +1.0%
<b>2017</b>					
<i>Financial Assets (i)</i>					
Cash and cash equivalents	537,322	(5,373)	(5,373)	5,373	5,373

	\$'000				
	Carrying Amount	Net Result -1.0%	Equity -1.0%	Net Result +1.0%	Equity +1.0%
<b>2016</b>					
<i>Financial Assets (i)</i>					
Cash and cash equivalents	503,823	(5,038)	(5,038)	5,038	5,038

(i) Both receivables and payables are excluded as DFSI deems there exists no interest exposure.

(d) **Fair value compared to carrying amount**

Financial instruments are generally recognised at cost.

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, except for:

	2017		2016	
	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000
<i>Borrowings</i>				
TCorp borrowings	370,775	369,202	530,054	527,531

(e) Fair value recognised in the Statement of Financial Position

	Level 1 \$'000	Level 2 \$'000	Level 3 \$	Total
<b>2017</b>				
<i>Financial Assets (i)</i>				
Available-for-sale financial assets	-	40,922	-	40,922
	-	40,922	-	40,922
<b>2016</b>				
<i>Financial Assets (i)</i>				
Available-for-sale financial assets	-	-	-	-
	-	-	-	-

The table above only includes financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of the observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## 32. RELATED PARTY DISCLOSURES

### Key management personnel

DFSI's key management personnel compensation are as follows:

	Actual 2017 \$'000
Short-term employee benefits:	
Salaries	5,187
Non-monetary benefits	28
Other long-term employee benefits	2,002
Post-employment benefits	327
Termination benefits	-
<b>Total remuneration</b>	<b>7,544</b>

During the year, DFSI entered into transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof. The aggregate value of the material transactions and related outstanding balances as at and for the year ending 30 June 2017 are as follows:

Nature of transaction	Transaction value \$'000	Net receivable/ (payable) \$'000
Services received by DFSI from the employment of close family members and KMP-related entity	345	-

### Other related party transactions

During the year, DFSI entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions which are conducted as arm's length transactions are a significant portion of the entity's sale of goods/ rendering of services/ receiving of services, in aggregate are as follows:

<b>Nature of transaction</b>	<b>Transaction value \$'000</b>	<b>Net receivable/ (payable) \$'000</b>
Sales of goods	23,041	14,792
Purchases of goods	13	13
Services rendered	684,544	266,251
Services received	92,170	8,577

The standard procurement process has been followed for these transactions.

### 33. EVENTS AFTER THE REPORTING PERIOD

#### (a) Adjusting Events

There are no known events after the reporting period which would give rise to a material impact on the reported results or financial position of DFSI as at 30 June 2017.

#### (b) Non- Adjusting Events

There are no known events after the reporting period which would give rise to a material impact on the reported results or financial position of DFSI as at 30 June 2017.

**END OF AUDITED FINANCIAL STATEMENTS**

# Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for Department of Finance, Services and Innovation

I, Martin Hoffman, Secretary, am of the opinion that the Department of Finance, Services and Innovation has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

## Core Requirements

**For each requirement, please specify whether compliant, non-compliant, or in transition**

### Risk Management Framework

- |     |  |           |
|-----|--|-----------|
| 1.1 | The agency head is ultimately responsible and accountable for risk management in the agency  | Compliant |
| 1.2 | A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009 | Compliant |

### Internal Audit Function

- |     |  |           |
|-----|--|-----------|
| 2.1 | An internal audit function has been established and maintained   | Compliant |
| 2.2 | The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing | Compliant |
| 2.3 | The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'  | Compliant |

### Audit and Risk Committee

- |     |   |           |
|-----|---|-----------|
| 3.1 | An independent Audit and Risk Committee with appropriate expertise has been established   | Compliant |
| 3.2 | The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations | Compliant |
| 3.3 | The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'   | Compliant |

## **Membership**

The chair and members of the Audit and Risk Committee are:

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020;
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2019;
- Mark O'Sullivan, Independent Member, from 25 January 2016 to 24 January 2018;
- Bruce Turner AM, Independent Member, from 22 January 2016 to 21 January 2019.

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- Rental Bond Board
- Fair Trading Administration Corporation
- Building Professionals Board
- Mine Subsidence Board
- NSW Government Telecommunications Authority
- State Archives and Records Authority of NSW



Martin Hoffman  
Secretary  
Department of Finance Services and Innovation

27/9/17.

Date:

Agency Contact Officer  
Geoff Campbell  
Chief Audit Executive, 9372 8040  
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## INDEPENDENT AUDITOR'S REPORT

### Department of Finance, Services and Innovation

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Department of Finance, Services and Innovation (the Department), which comprise the statement of financial position as at 30 June 2017, 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.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Department as at 30 June 2017, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Department in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

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

## Secretary's Responsibility for the Financial Statements

The Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary must assess the Department's ability to continue as a going concern except where the Department's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

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



Margaret Crawford  
Auditor-General of NSW

26 September 2017  
SYDNEY



# FAIR TRADING ADMINISTRATION CORPORATION

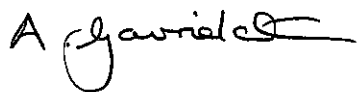
## COMMISSIONER'S STATEMENT

In accordance with section 41C of the *Public Finance and Audit Act 1983* I state that, in my opinion:

- (1) the accompanying financial statements and notes thereto exhibit a true and fair view of the financial position of Fair Trading Administration Corporation as at 30 June 2017 and its financial performance for the year then ended.
- (2) the accompanying financial statements and notes thereto comply with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Financial Reporting Directions mandated by the Treasurer.

Further, I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Corporation



**Andrew Gavrielatos**  
**Acting Commissioner of Fair Trading**  
**Department of Finance, Services and Innovation**

**20th September 2017**

# FAIR TRADING ADMINISTRATION CORPORATION

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
<b>Expenses</b>			
Other operating expenses	2(a)	88	9
Insurance claims	2(b)	10	38
<b>Total expenses</b>		<u>98</u>	<u>47</u>
 <b>Revenue</b>			
Interest revenue	1(f), 3(a)	<u>202</u>	<u>270</u>
<b>Total revenue</b>		<u>202</u>	<u>270</u>
 <b>Net result</b>		<b>104</b>	<b>223</b>
 <b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>104</b></u>	<u><b>223</b></u>

The accompanying notes form part of these statements.

# FAIR TRADING ADMINISTRATION CORPORATION

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	13,857	13,641
Receivables	5	105	136
<b>Total current assets</b>		<b>13,962</b>	<b>13,777</b>
<b>TOTAL ASSETS</b>		<b>13,962</b>	<b>13,777</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	6	87	6
<b>Total current liabilities</b>		<b>87</b>	<b>6</b>
<b>TOTAL LIABILITIES</b>		<b>87</b>	<b>6</b>
<b>NET ASSETS</b>		<b>13,875</b>	<b>13,771</b>
<b>EQUITY</b>			
Accumulated funds		13,875	13,771
<b>TOTAL EQUITY</b>		<b>13,875</b>	<b>13,771</b>

The accompanying notes form part of these statements.

# FAIR TRADING ADMINISTRATION CORPORATION

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 July 2016</b>	13,771	13,771
Net result for the year	104	104
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>104</b>	<b>104</b>
<b>Balance at 30 June 2017</b>	<b>13,875</b>	<b>13,875</b>

	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 July 2015</b>	13,548	13,548
Net result for the year	223	223
Other comprehensive income	-	-
<b>Total comprehensive Income for the year</b>	<b>223</b>	<b>223</b>
<b>Balance at 30 June 2016</b>	<b>13,771</b>	<b>13,771</b>

The accompanying notes form part of these statements.

# FAIR TRADING ADMINISTRATION CORPORATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Operating and insurance claim payments		(19)	(52)
<b>Total payments</b>		<u>(19)</u>	<u>(52)</u>
<b>Receipts</b>			
Interest received		234	281
Other (BAS Refunds)		1	1
<b>Total receipts</b>		<u>235</u>	<u>282</u>
<b>Net cash flows from operating activities</b>	10	<u><u>216</u></u>	<u><u>230</u></u>
<b>Net increase in cash</b>		<b>216</b>	<b>230</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>		<u>13,641</u>	<u>13,411</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<u><u>13,857</u></u>	<u><u>13,641</u></u>

The accompanying notes form part of these statements.

# FAIR TRADING ADMINISTRATION CORPORATION

FOR THE YEAR ENDED 30 JUNE 2017

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting Entity

The Fair Trading Administration Corporation (the Corporation) is a Reporting Entity established under the *Home Building Act 1989*. The Corporation is a not-for-profit entity with no cash generating units.

The Corporation was established in 1997 to administer claims on the Government's then statutory home warranty insurance scheme, which closed new policies when the private home warranty insurance scheme was introduced on 1 May 1997. The Corporation does not generate income other than interest income and claims payments are funded by drawings from New South Wales Treasury.

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

The administrative functions for the Corporation are performed by the Department of Finance, Services and Innovation. As the Corporation maintained a dormant status during 2016-17 financial year, only GovConnect costs have been charged.

As all of the Corporation's operational matters have been finalised, the Parliamentary Counsel has approved proclamation relating to FTAC's dissolution on 28 June 2017 with the commencement date of 30 June 2017. These financial statements are the final financial statements of the Corporation.

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Acting Commissioner for Fair Trading of the Department of Finance, Services and Innovation on 20 September 2017.

#### (b) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting Interpretations); and
- the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*; and
- the Financial Reporting Directions mandated by the Treasurer.

Financial assets at "fair value through profit or loss" and available for sale are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention.

Judgement, 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 thereto comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

**(d) Insurance**

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

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

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

- 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.
- insurance claim expenses (claims paid) which are represented in the statements gross of GST as the Corporation is not entitled to claim input tax credits due to no direct association with the original 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 component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

**(f) Revenue Recognition**

Revenue is measured at the fair value of the consideration or contribution received or receivable. Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

**(g) Assets**

**Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value, 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 net result for the year 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.

**(h) 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. However, reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the revaluation surplus. 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.

**(i) Liabilities**

**Payables**

These amounts represent liabilities for goods and services provided to the Corporation and other amounts, including interest. 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.

**(j) Equity**

**(i) Accumulated Funds**

The category 'Accumulated Funds' includes current and prior period retained funds.

**(k) Comparative Information**

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.

**(l) Changes in accounting policy, including new or revised Australian Accounting Standards**

**(i) Effective for the first time in 2016-17**

The accounting policies applied in 2016-17 are consistent with those of the previously financial year. There are no new or revised Australian Accounting Standards that have been applied for the first time in 2016-17, except AASB2015-6 on related party disclosure (refer Note 12).

**(ii) Issued but not yet effective**

The following new Australian Accounting Standards have not been applied and are not yet effective. These new Standards will not have any direct impact on the financial performance or position of the Authority.



- AASB 9 Financial Instruments
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income for Not-for-profit Entities
- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB107
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets for Not-for-Profit Entities
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfer of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-16 Cycle

**(m) Comparative Information**

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

**2. EXPENSES**

As mentioned in Note 1(a) the Department of Finance, Services and Innovation has applied an Administrative Service Charge for the recovery of those expenses it has incurred on behalf of the Corporation. As the entity is dormant and awaiting closure no administrative services fee have been charged for the financial year 2016-17.

**(a) Other Operating Expenses**

Auditor's remuneration	9	9
GovConnect & Enterprise Resource Planning Costs	79	-
	<u>88</u>	<u>9</u>

**(b) Insurance Claims**

Claims paid	10	38
	<u>10</u>	<u>38</u>

### 3. REVENUE

Grants are received from the Crown to provide for the payment of claims under the home insurance policies of insolvent insurers and for the administrative costs of the Corporation. Additional grant was not sought from NSW Treasury during 2016/17 as the funds held by the Corporation are adequate to cover the outstanding claims.

#### (a) Interest Revenue

Interest earned on bank account	202	270
	<u>202</u>	<u>270</u>

### 4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank	13,857	13,641
	<u>13,857</u>	<u>13,641</u>

For the purposes of the Statement of Cash Flows, cash includes money deposited with banks.

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:

Cash and cash equivalents (per Statement of Financial Position)	13,857	13,641
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	<u>13,857</u>	<u>13,641</u>

Refer Note 11 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

### 5. CURRENT ASSETS - RECEIVABLES

Accrued interest income	105	136
	<u>105</u>	<u>136</u>

### 6. CURRENT LIABILITIES - PAYABLES

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Other payables	87	6
	<u>87</u>	<u>6</u>

Refer Note 11 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

### 7. CONTINGENT LIABILITIES

There is no contingent liability that can be raised against the Corporation.

## 8. CONTINGENT ASSETS

As at the date of this report there are no contingent assets.

## 9. COMMITMENTS

There are no commitments for capital or lease commitments at balance date.

## 10. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2017 \$'000	2016 \$'000
Net cash flows from operating activities	216	230
Changes in Assets and Liabilities		
(Decrease)/increase in receivables	(31)	(11)
Decrease/(increase) in doubtful debt provision	-	-
Decrease/(increase) in payables	(81)	4
Net result	104	223

## 11. 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 its 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 Corporation has overall responsibility for the establishment and oversight of risk management and reviews and agrees on 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 and to monitor risks. Compliance with policies is reviewed by the Department of Finance, Services and Innovation on a regular basis.

The Corporation's financial instruments include cash, receivables and payables.

### Financial Instrument Categories

Financial Assets	Note	Category	Carrying Amount 2017 \$'000	Carrying Amount 2016 \$'000
Class: Cash and cash equivalents	4	Not applicable	13,857	13,641
Receivables*	5	Loans and receivable (at amortised cost)	105	136
Class: Payables**	6	Financial liabilities measured (at amortised cost)	87	6

\* Excludes statutory receivables (eg GST) and prepayments (ie not within scope of AASB 7)

\*\* Excludes statutory payables (eg GST) and unearned revenue (ie not within scope of AASB 7)

**(a) Credit Risk**

Credit risk arises when there is the possibility of the Corporation's debtors defaulting on their contractual obligations, 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, and receivables.

**Cash**

Cash comprises bank balances held within the 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.

**Receivables**

The Corporation's debtors do not include trade debtors but rather arise out of interest receivable.

**(b) Liquidity Risk**

Liquidity risk is the risk that 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.

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

**(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 has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on net result 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 entity 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. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

**Interest Rate Risk - Cash Facility**

Exposure to interest rate risk arises primarily through the investment in cash facilities. The Corporation has no direct equity investments. The Corporation's exposure to interest rate risk is set out below:

	\$'000				
	Carrying Amount	Profit -1%	Equity -1%	Profit 1%	Equity 1%
<b>2017</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	13,857	(139)	(139)	139	139
<b>2016</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	13,641	(136)	(136)	136	136

**(d) Fair Value Compared to Carrying Amount**

Financial instruments are generally recognised at cost which is subsequently measured at fair value. 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.

**12. RELATED PARTY DISCLOSURES**

The entity's key management personnel compensation are as follows:

	<b>2017</b>
	<b>\$'000</b>
Short-term employee benefits:	
Salaries	-
Other monetary allowances	-
Non-monetary benefits	-
Other long-term employee benefits	-
Post-employment benefits	-
Termination benefits	-
Total remuneration	<u>0</u>

During the year, the Board has not entered into any transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

**13. AFTER BALANCE DATE EVENTS**

The Parliamentary Counsel approved the proclamation of relevant provisions of the Home Building Amendment (Compensation Reform) Act commencing 30<sup>th</sup> June 2017, which relate to the dissolution of the Corporation.

From the date of dissolution assets, rights and liabilities for the Corporation immediately before dissolution transfer and vest in the Crown.

**END OF FINANCIAL STATEMENTS**



## INDEPENDENT AUDITOR'S REPORT

### Fair Trading Administration Corporation

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Fair Trading Administration Corporation (the Corporation), which comprise the statement of financial position as at 30 June 2017, 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.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2017, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

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

## **The Commissioner's Responsibility for the Financial Statements**

The Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner must assess the Corporation's ability to continue as a going concern except where the Corporation will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Nathan Carter  
Director, Financial Audit Services

25 September 2017  
SYDNEY

# BOARD OF SURVEYING AND SPATIAL INFORMATION

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### STATEMENT BY MEMBERS OF THE BOARD

Pursuant to Section 41C of the *Public Finance and Audit Act 1983* and in accordance with a resolution of the members of the Board of Surveying and Spatial Information, we declare on behalf of the Board that in our opinion:

1. the accompanying financial statements and notes thereto exhibit a true and fair view of the financial position at 30 June 2017 and the financial performance for the year then ended; and
2. the accompanying financial statements and notes thereto have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer.

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

Mary-Ellen Feeney  
Board Member, BOSSI  
Date:

17/10/2017

Narelle Underwood  
Surveyor General of NSW and President, BOSSI  
Date:

17/10/2017



# START OF AUDITED FINANCIAL STATEMENTS

## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Statement of comprehensive income for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>Revenue</b>			
Fees revenue	2(a)	613,625	565,636
Interest revenue	2(b)	15,512	17,784
Other revenue	2(c)	-	85
<b>Total Revenue</b>		<b>629,137</b>	<b>583,505</b>
<b>Expenses excluding losses</b>			
Personnel services	3(a)	309,201	286,724
Other operating expenses	3(b)	254,854	236,677
Depreciation	3(c)	3,483	2,636
<b>Total Expenses excluding losses</b>		<b>567,538</b>	<b>526,037</b>
<b>NET RESULT</b>		<b>61,599</b>	<b>57,468</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>		<b>61,599</b>	<b>57,468</b>

The accompanying notes form part of these financial statements

# BOARD OF SURVEYING AND SPATIAL INFORMATION

## Statement of financial position as at 30 June 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5(a)	1,045,449	745,992
Receivables	6	31,132	14,158
<b>Total Current Assets</b>		<b>1,076,581</b>	<b>760,150</b>
<b>Non-Current assets</b>			
Plant and equipment	7	13,937	8,397
<b>Total Non-Current assets</b>		<b>13,937</b>	<b>8,397</b>
<b>TOTAL ASSETS</b>		<b>1,090,518</b>	<b>768,547</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	8	375,628	115,256
<b>Total Current Liabilities</b>		<b>375,628</b>	<b>115,256</b>
<b>Non-Current Liabilities</b>		-	-
<b>TOTAL LIABILITIES</b>		<b>375,628</b>	<b>115,256</b>
<b>NET ASSETS</b>		<b>714,890</b>	<b>653,291</b>
<b>EQUITY</b>			
Accumulated funds		714,890	653,291
<b>TOTAL EQUITY</b>		<b>714,890</b>	<b>653,291</b>

The accompanying notes form part of these financial statements

## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Statement of changes in equity for the year ended 30 June 2017

	Accumulated Funds \$	Total Equity \$
Balance at 1 July 2016	653,291	653,291
Net result for the year	61,599	61,599
Other comprehensive income	-	-
Total comprehensive income for the year	61,599	61,599
Balance at 30 June 2017	714,890	714,890
Balance at 1 July 2015	595,823	595,823
Net result for the year	57,468	57,468
Other comprehensive income	-	-
Total comprehensive income for the year	57,468	57,468
Balance at 30 June 2016	653,291	653,291

The accompanying notes form part of these financial statements

# BOARD OF SURVEYING AND SPATIAL INFORMATION

## Statement of cash flows for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Receipts from customers		597,061	565,329
Interest received		16,291	14,798
GST refund		10,644	3,049
<b>Total Receipts</b>		<b>623,996</b>	<b>583,176</b>
<b>Payments</b>			
Payments to suppliers		(315,516)	(488,833)
<b>Total Payments</b>		<b>(315,516)</b>	<b>(488,833)</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	5(b)	<b>308,480</b>	<b>94,343</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of plant and equipment	7	(9,023)	(5,282)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(9,023)</b>	<b>(5,282)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>299,457</b>	<b>89,061</b>
Opening cash and cash equivalents		745,992	656,931
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5(a)	<b>1,045,449</b>	<b>745,992</b>

The accompanying notes form part of these financial statements



# BOARD OF SURVEYING AND SPATIAL INFORMATION

## Notes to the Financial Statements for the year ended 30 June 2017

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Reporting entity

The Board of Surveying and Spatial Information (the Board), is constituted under the *Surveying and Spatial Information Act 2002* to provide for the registration of land and mining surveyors, to regulate the making of surveys and to advise the Government on Spatial Information. The Board is a not-for-profit entity and has no cash generating units.

These financial statements for the year ended 30 June 2017 were authorised for issue by the Board on the 17 October 2017.

The Board's registered office address is 346 Panorama Avenue, Bathurst, NSW.

#### b. Basis of preparation

The Board's financial statements are general purpose financial statements, which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations); and
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and the Financial Reporting Directions mandated by the Treasurer.

The financial statements have been prepared on an accrual basis.

All amounts are rounded to the nearest dollar, unless otherwise stated and are expressed in Australian currency.

#### c. Statement of compliance

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

#### Effective for the first time in 2016-17

The impact of the first time adopted standards is immaterial. The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2016-17:

- AASB 14 *Regulatory Deferral Accounts*
- AASB 1056 *Superannuation Entities*
- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part D Regulatory Deferrals Accounts)*
- AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*
- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
- AASB 2014-6 *Amendments to Australian Accounting Standards – Agriculture: Bearer Plants*
- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*

## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Notes to the Financial Statements for the year ended 30 June 2017

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

##### c. *Statement of compliance (continued)*

- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*
- AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*
- AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities*
- AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*
- AASB 2015-9 *Amendments to Australian Accounting Standards – Scope and Application Paragraphs*
- AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*

#### **Issued but not yet effective**

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

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

- AASB 9 *Financial Instruments*
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 *regarding Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts*
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*
- *Interpretation 22 Foreign Currency Transactions and Advance Consideration*

It is considered that the implementation of these standards will not have a material impact on the Board's financial results except for AASB 2015-6 – *Extending Related Party Disclosures to Not-for-Profit Public Sector Entities*. The disclosure in accordance with this standard has been included in the statements.



## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Notes to the Financial Statements for the year ended 30 June 2017

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

##### **d. Significant accounting judgements, estimates and assumptions**

In preparation of the financial statements, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. If a revision affects only the period in which the estimates are revised, it is recognised in that period. If a revision affects both current and future periods, it is recognised in the period of the revision and future periods.

##### **e. Revenue recognition**

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

- (i) **Member fees and subscriptions**  
Registration revenue is recognised once the registration renewal applications and fees are received and the receipt is issued. Invoices are not raised prior to the renewal date as registration renewal is optional and cannot be reliably measured until applications are received.
- (ii) **Rendering of services**  
Revenue is recognised when services such as workshops or training are provided or by stage of completion.
- (iii) **Interest revenue**  
Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

##### **f. Personnel services**

The Board has no employees. All the Board's human resources are provided by the Department of Finance, Services & Innovation (the Department) on a fee for services rendered basis. This fee includes all employee related costs including salaries, superannuation, leave entitlements, fringe benefits tax, payroll tax and workers' compensation insurance.

##### **g. Insurance**

The Board'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.

##### **h. Accounting for the Goods and Services Tax (GST)**

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

- the amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the acquisition cost of an asset, or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

# BOARD OF SURVEYING AND SPATIAL INFORMATION

## Notes to the Financial Statements for the year ended 30 June 2017

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### *h. Accounting for the Goods and Services Tax (GST) (continued)*

The net amount of GST recoverable from, or payable to the taxation authority, is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. However, the GST component of cash flows arising from investing activities, are also classified as operating cash flows.

#### *i. Acquisition of assets*

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition, 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 at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

#### *j. Revaluation of 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 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*. Fair value of plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. The Board has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

#### *k. Capitalisation thresholds*

Plant and equipment individually costing \$5,000 and above are capitalised. Individual items of computer equipment costing are capitalised when they form part of a network.

#### *l. Impairment of plant and equipment*

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely given that AASB 136 modifies the recoverable amount test for non-cash generating units of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

#### *m. Depreciation*

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

#### **Depreciation rates:**

Plant and equipment	20%
Electronic Data Processing (EDP) equipment	25%



## **BOARD OF SURVEYING AND SPATIAL INFORMATION**

### **Notes to the Financial Statements for the year ended 30 June 2017**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

##### ***n. 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.

##### ***o. Receivables***

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

The Board's receivables include interest and GST receivables. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

##### ***p. 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, and is then 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. 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.

##### ***q. Payables***

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

##### ***r. Equity***

The category 'Accumulated Funds' includes all current and prior period retained funds.

##### ***s. Comparative information***

Except where 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.

# BOARD OF SURVEYING AND SPATIAL INFORMATION

## Notes to the Financial Statements for the year ended 30 June 2017

### 2. REVENUE

Registration and other fees collected by the Board in accordance with the *Surveying and Spatial Information Act 2002* are retained by the Board to fund their operations. The Board does not receive any funding by way of grants from the Department or the NSW Treasury and its operating expenditure is mainly funded by revenue from registration and other fees.

	2017 \$	2016 \$
<b>a. Fees revenue</b>		
- Annual registration fees	482,964	465,207
- Candidate fees	43,122	48,705
- Examination fees	40,670	4,527
- Registration restoration fees	20,649	11,013
- Miscellaneous fees	26,220	36,184
	<b>613,625</b>	<b>565,636</b>
<b>b. Interest revenue</b>	<b>15,512</b>	<b>17,784</b>
<b>c. Other revenue</b>		
- Court settlement	-	85
	-	<b>85</b>

### 3. EXPENSES

	2017 \$	2016 \$
<b>a. Personnel services</b>		
- Salaries and wages (including recreation leave)	265,281	231,289
- Long service leave	(3,865)	12,318
- Superannuation	25,070	22,209
- Workers compensation insurance	4,225	3,726
- Payroll tax and fringe benefit tax	18,490	17,182
	<b>309,201</b>	<b>286,724</b>

The Board is an entity that does not directly employ staff. The Department employs staff on behalf of the Board within its personnel services division. As per the Service Level Agreement regarding Personnel Services, expenses relating to these employees are incurred by the Department and reimbursed by the Board on a monthly basis. The above table details the Department's employee expenses that are reimbursed by the Board. Refer Note 1(f).

## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Notes to the Financial Statements for the year ended 30 June 2017

#### 3. EXPENSES (continued)

	2017 \$	2016 \$
<b>b. Other operating expenses</b>		
- Audit fees (audit of financial statements)	11,750	11,500
- Board/committee member fees	39,020	33,158
- Other fees	75,082	62,327
- Catering and venue hire	23,539	21,404
- Bank charges	3,615	3,768
- Administration fee <sup>1</sup>	50,000	50,000
- Maintenance <sup>2</sup>	442	-
- Postage, telephone and courier	3,371	5,213
- Stores and stationery	2,434	3,209
- Staff development	4,798	-
- Sponsorships	5,000	2,500
- Accommodation	1,472	-
- Computer expenses	7,073	-
- Contractors	-	21,513
- Travel and subsistence	27,258	22,085
	<b>254,854</b>	<b>236,677</b>

<sup>1</sup> Administration fee expense is Corporate Support by Land and Property Information for the Board of Surveying and Spatial Information which includes: Employee services, Financial services, Information and Communications Technology services, Accommodation, Transport and Enterprise Resource Planning.

<sup>2</sup> All maintenance expenses are incurred by the Board. There are no personnel services related maintenance expenses.

#### c. Depreciation

- EDP equipment	3,483	2,636
	<b>3,483</b>	<b>2,636</b>

#### 4. Related Party Disclosures

The entity's key management personnel compensation are as follows:

	2017 \$
- Short-term employee benefits:	
Salaries	39,020
Other monetary allowances	-
Non-monetary benefits	-
- Other long-term employee benefits	



## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Notes to the Financial Statements for the year ended 30 June 2017

#### 4. Related Party Disclosure (continued)

	2017 \$
- Post-employment benefits	3,413.35
- Termination benefits	-
Total remuneration	<u>42,433.35</u>

With the extension of AASB 124 *Related Party Disclosures* to the not-for-profit sector for the reporting period beginning 1 July 2016, Board Members remuneration is now reported under 'Related Party Disclosures'. The annual retainer of \$24,720 (2016 – \$21,630) and the sitting fee of \$14,300 (2016 – \$11,528) have been disclosed under 'Salaries'- short term employee benefits. The Defined Benefit Super for Board Members has been disclosed under 'Post-employment benefits'. The travelling and accommodation expenses incurred in connection with the Board's operations are included under travel and subsistence. Such expenses are excluded from the definition of 'compensation' paid or payable to Key Management Personnel (KMP). Hence, not reported within the Related Party Disclosures.

#### 5. CASH AND CASH EQUIVALENTS

##### a. Cash and cash equivalents

	2017 \$	2016 \$
Cash at bank and on hand	1,045,449	745,992
	<u>1,045,449</u>	<u>745,992</u>

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

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	2017 \$	2016 \$
Cash and cash equivalents (per statement of financial position)	1,045,449	745,992
<b>Closing cash and cash equivalents (per statement of cash flows)</b>	<u>1,045,449</u>	<u>745,992</u>

## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Notes to the Financial Statements for the year ended 30 June 2017

#### 5. CASH AND CASH EQUIVALENTS *(continued)*

##### a. *Cash and cash equivalents (continued)*

Refer to Note 11 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

##### b. *Reconciliation of Net Cash Flows from Operating Activities to Net Result*

	2017 \$	2016 \$
Net cash flows from operating activities	308,480	94,343
Depreciation	(3,483)	(2,636)
Changes in operating assets and liabilities		
Increase/(decrease) in trade and other receivables	16,975	7,293
(Increase)/decrease in trade and other payables	(260,373)	(41,532)
<b>Net result</b>	<b>61,599</b>	<b>57,468</b>

#### 6. RECEIVABLES

	2017 \$	2016 \$
Accrued revenue	10,164	-
Accounts Receivable	9,864	-
Interest receivable	7,565	8,345
GST receivable	3,539	5,813
	<b>31,132</b>	<b>14,158</b>
Movement in the allowance for impairment		
Balance at 1 July	-	-
Increase/(decrease) in allowance recognised in profit or loss	-	-
Balance at 30 June	-	-

# BOARD OF SURVEYING AND SPATIAL INFORMATION

## Notes to the Financial Statements for the year ended 30 June 2017

### 7. PLANT AND EQUIPMENT

	Plant and Equipment \$	EDP Equipment \$	Total \$
<b>At 1 July 2016 – fair value</b>			
Gross carrying amount	8,181	29,693	37,874
Accumulated depreciation	(8,181)	(21,296)	(29,477)
Net carrying amount	-	8,397	8,397

### At 30 June 2017 – fair value

Gross carrying amount	8,181	33,736	41,917
Accumulated depreciation	(8,181)	(19,799)	(27,980)
Net carrying amount	-	13,937	13,937

### Reconciliation

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

	Plant and Equipment \$	EDP Equipment \$	Total \$
<b>Year ended 30 June 2017</b>			
Net carrying amount at start of year	-	8,397	8,397
Additions	-	9,023	9,023
Depreciation expense	-	(3,483)	(3,483)
Net carrying amount at end of year	-	13,937	13,937

	Plant and Equipment \$	EDP Equipment \$	Total \$
<b>At 1 July 2015 – fair value</b>			
Gross carrying amount	8,181	29,377	37,558
Accumulated depreciation	(8,181)	(23,627)	(31,808)
Net carrying amount	-	5,750	5,750

### At 30 June 2016 – fair value

Gross carrying amount	8,181	29,693	37,874
Accumulated depreciation	(8,181)	(21,296)	(29,477)
Net carrying amount	-	8,397	8,397

## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Notes to the Financial Statements for the year ended 30 June 2017

#### 7. PLANT AND EQUIPMENT *(continued)*

##### Reconciliation

A reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the previous reporting period is set out below:

	Plant and Equipment \$	EDP Equipment \$	Total \$
<b>Year ended 30 June 2016</b>			
Net carrying amount at start of year	-	5,750	5,750
Additions	-	5,283	5,283
Depreciation expense	-	(2,636)	(2,636)
<b>Net carrying amount at end of year</b>	<b>-</b>	<b>8,397</b>	<b>8,397</b>

##### Fair value measurement

The Board's plant and equipment are measured at depreciated historical cost as an approximation of fair value.

#### 8. PAYABLES

	2017 \$	2016 \$
- Accrued expenses	16,015	13,813
- Personnel services	60,232	50,175
- GST clearing	-	(732)
- Other creditors	299,381	52,000
	<b>375,628</b>	<b>115,256</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 11.



## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Notes to the Financial Statements for the year ended 30 June 2017

#### 9. COMMITMENTS FOR EXPENDITURE

##### a. *Capital commitments*

As at 30 June 2017, there were no capital commitments (2016 - nil).

##### b. *Operating lease commitments*

As at 30 June 2017, there were no operating lease commitments (2016 - nil).

##### c. *Finance lease commitments*

As at 30 June 2017, there were no finance lease commitments (2016 - nil).

#### 10. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2017, there were no contingent assets or contingent liabilities (2016 - nil).

#### 11. FINANCIAL INSTRUMENTS

The Board's principal financial instruments are outlined below. These financial statements arise directly from the Board's operations or are required to finance the Board's operations. The Board does not enter into or trade financial instruments for speculative purposes.

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board 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 Board, to set risk limits and controls and to monitor risks.

##### a. *Financial instrument categories*

Class:	Note	Category	2017 \$ Carrying amount	2016 \$ Carrying amount
<b>Financial assets</b>				
Cash and cash equivalents	5(a)	Cash at Bank	1,045,449	745,992
Receivables <sup>1</sup>	6	Loans and receivables (at amortised cost)	27,593	8,345
<b>Financial liabilities</b>				
Payables <sup>2</sup>	8	Financial liabilities measured at amortised cost	375,628	115,256



## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Notes to the Financial Statements for the year ended 30 June 2017

#### 11. FINANCIAL INSTRUMENTS (*continued*)

##### a. *Financial instrument categories (continued)*

###### Notes:

1. Excludes statutory receivables and prepayments (ie. not within scope of AASB 7)
2. Excludes statutory payables and prepaid enrolment fees (ie. not within scope of AASB 7).

##### b. *Credit risk*

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets.

Credit risk arises from the financial assets of the Board, including cash and receivables. No collateral is held by the Board. The Board has not granted any financial guarantees. Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

###### **Cash and cash equivalent**

Cash comprises cash at bank and cash on hand and is considered to be at fair value.

###### **Receivables**

The interest receivable is recognised at fair value, usually based on the transaction cost or face value. The Board is not exposed to credit risk to trade debtors. The credit risk is the carrying amount.

The Board is not materially exposed to concentrations of credit risk from a single trade debtor or group of debtors. Based on past experience, debtors that are not past due and not more than 90 days past due are not considered impaired.

##### c. *Liquidity risk*

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board 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 loans and other advances.

During the current and prior years, there were no defaults of loans payable. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of 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 not made 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 a person appointed by the Head of an authority) may automatically pay the supplier simple interest.

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

## BOARD OF SURVEYING AND SPATIAL INFORMATION

### Notes to the Financial Statements for the year ended 30 June 2017

#### 11. FINANCIAL INSTRUMENTS (continued)

##### c. Liquidity risk (continued)

			Interest Rate Exposure			Maturity Dates		
	Weighted Average Effective Interest Rate %	Nominal Amount  \$	Fixed Interest Rate  %	Variable interest Rate  %	Non- Interest Bearing  %	< 1 Year  \$	1 – 5 Years  \$	> 5 Years  \$
<b>2017</b>								
Payables	-	375,628	-	-	-	375,628	-	-
<b>Total financial liabilities 2017</b>	-	<b>375,628</b>	-	-	-	<b>375,628</b>	-	-
<b>2016</b>								
Payables	-	115,256	-	-	-	115,256	-	-
<b>Total financial liabilities 2016</b>	-	<b>115,256</b>	-	-	-	<b>115,256</b>	-	-

##### Notes:

- 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.

##### 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 Board has no exposure to foreign currency risk and does not enter into commodity contracts.

##### e. Interest rate risk

Exposure to interest rate risk arises primarily through cash facilities. The Board has no direct equity investments.

A reasonable possible change of +/- 0.5% is used, based on management's judgement. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Board's exposure to interest risk is set out below.

	Carrying Amount \$	-0.5%		+0.5%	
		Net Result \$	Equity \$	Net Result \$	Equity \$
<b>2017</b>					
Cash and cash equivalents	1,045,449	(5,227)	(5,227)	5,227	5,227
<b>2016</b>					
Cash and cash equivalents	745,992	(3,730)	(3,730)	3,730	3,730

## **BOARD OF SURVEYING AND SPATIAL INFORMATION**

### **Notes to the Financial Statements for the year ended 30 June 2017**

#### **11. FINANCIAL INSTRUMENTS *(continued)***

##### **e. *Interest rate risk (continued)***

##### **f. *Fair value compared to carrying amount***

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value because of the short-term nature of the financial instruments.

#### **12. AFTER BALANCE DATE EVENTS**

There are no after balance date events.



**BOARD OF SURVEYING AND SPATIAL INFORMATION**

**Notes to the Financial Statements for the year ended 30 June 2017**

**END OF AUDITED FINANCIAL STATEMENTS**



## INDEPENDENT AUDITOR'S REPORT

### Board of Surveying and Spatial Information

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Board of Surveying and Spatial Information (the Board), which comprise the statement of financial position as at 30 June 2017, 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.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 30 June 2017, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Board in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

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

## **The Board's Responsibility for the Financial Statements**

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Board must assess the Board's ability to continue as a going concern except where the Board will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Board carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Nathan Carter  
Director, Financial Audit Services

17 October 2017  
SYDNEY

# Compliance checklist

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