

Department of Premier & Cabinet  
**ANNUAL REPORT 2016-17**

**The Department of Premier and Cabinet  
Annual Report 2016–2017**

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# Premier & Cabinet

The Hon Gladys Berejiklian MP  
Premier and Minister for Willoughby  
52 Martin Place  
Sydney NSW 2000

31 October 2017

Dear Premier

I am pleased to submit the 2016-2017 Annual Report of the Department of Premier and Cabinet to you for presentation to the NSW Parliament.

This volume reports on the operations and performance of the Department, together with the financial statements for the period 1 July 2016 to 30 June 2017.

It has been prepared in accordance with the provisions of the *Annual Reports (Departments) Act 1985* and the *Annual Reports (Departments) Regulation 2015*.

Yours sincerely

Blair Comley PSM  
Secretary

# FROM THE SECRETARY

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The Department of Premier and Cabinet (DPC) mission is to enhance the lives of the people of NSW by driving priorities, brokering outcomes and delivering programs and services. We do this by working with others to help deliver coordinated policies, projects and reforms across the entire state.

This year, DPC supported the transition of a new Premier and a new ministry. DPC now also supports directly the Deputy Premier as Minister for Regional NSW, reflecting our increasing focus on regional NSW. DPC established a Regional NSW Group which includes an economic analysis team and a regional development network spread across the state. In other changes, DPC's Trade and Investment Branch moved to the Department of Industry, while Veterans' Affairs transitioned to the Department of Justice. Throughout these changes, we have maintained our 'one DPC' approach, finding new avenues of collaboration and engagement with our colleagues, knowing that we share a common mission. DPC also played an important role in supporting the broader changes across NSW Government as part of the transition.

The Premier's and State Priorities are core to our work. DPC plays a central role in helping to define and deliver these priorities, reflecting our commitment to a whole-of-government approach to tackling important issues affecting the people of NSW. From helping vulnerable children and raising the performance of school students to building local infrastructure and improving service levels in hospitals.

This year, DPC led the development of the NSW Government's strategy to tackle housing affordability. Working closely with the Department of Planning and Environment and NSW Treasury, DPC assisted the Premier - defining a new Premier's Priority on Housing Affordability which has a headline goal of increasing the number of dwelling completions to 61,000, on average, per financial year to 2020-21. This is just one instance in which DPC has worked across government to make a practical difference in the lives of people across the state.

As a central agency, DPC has balanced a leadership role in brokering collaboration with stakeholders with its obligation to provide robust advice and support to Ministers and the Premier. This approach helped DPC support a cohesive government strategy aimed at improving farm productivity and better protecting biodiversity through conservation and local land reforms. It also drove the work of our behavioural insights team, which partnered with the Ministry of Health and a number of hospitals, to speed up the process of discharging patients who are ready to go home and free up beds for new patients. Likewise, DPC's refugee resettlement team supported refugees to rebuild their lives in NSW through cross-sector collaboration which has established a true partnership with the community and stakeholders.

At DPC we value this kind of deep engagement as we work to fulfil our mission. This year, DPC commissioned a major survey of our stakeholders which gave us an overall satisfaction rating of 85 percent. When it came to professionalism and capacity to undertake tasks, the satisfaction rating climbed to 96 percent.

These results can only be achieved with a committed and professional workforce. DPC will always strive to be an employer of choice, where people are challenged by their work and know they are part of a diverse and inclusive workforce. I thank all DPC staff for their outstanding commitment to our work this year.



Blair Comley PSM  
Secretary

# ABOUT US



# DEPARTMENT OF PREMIER AND CABINET

DPC leads the public sector to deliver on the NSW Government's commitments and priorities. As a central agency supporting the Premier, the Deputy Premier and Cabinet, DPC provides thought leadership across the public service, assisting in the generation of ideas and policy vision. DPC works in partnership with agencies, as well as with private, not-for-profit and academic organisations to optimise public sector performance and drive the implementation of decisions made by the government.

In 2016–17 DPC played a role in:

- providing clear reform leadership on NSW Government reforms
- setting and monitoring objectives and targets
- driving delivery of the NSW State Priorities
- improving public sector performance
- contributing to an efficient customer-focused public sector
- facilitating private sector partnerships and investment
- providing an independent source of advice based on sound evidence
- leading negotiations on priority Council of Australian Governments (COAG) agreements
- advising on governance and machinery of government changes
- coordinating and managing cross portfolio issues
- coordinating legislative and parliamentary processes
- facilitating the NSW Government's decision making.

In April 2017, DPC established a Regional NSW Group to support the Deputy Premier in his role as Minister for Regional NSW. On 1 April 2017, Trade and Investment moved to the Department of Industry while Veterans' Affairs moved to the Department of Justice as part of the machinery of government changes.

**We enhance the lives of the people of NSW by driving priorities, brokering outcomes and delivering programs and services.**

## Central agency groups

DPC comprises six groups which work across the spectrum of government to provide policy advice, administer legislation, deliver projects and corporate services.

### Cabinet and Legal Group

The Cabinet and Legal Group provides advice and services concerning the law, policy, governance, Cabinet and executive government.

The group:

- supports the Premier, the Cabinet and manages the Cabinet and legislative agendas
- develops and implements policy and legislative reforms within the Premier's portfolios, assists with government priority reforms, and manages DPC's litigation and external legal service provision (except employment matters)
- includes the Legal branch, Cabinet branch and Information Access Unit (IAU).

The group administers legislation allocated to the Premier including constitutional, integrity and electoral legislation. It also leads Cabinet practice across the government sector and provides liaison and secretariat services. IAU manages DPC's compliance with the *Government Information (Public Access) Act 2009* (GIPA) and responses to resolutions of the Legislative Council under Standing Order 52.

### Economic Policy Group

The Economic Policy Group drives the government's agenda in economic development, infrastructure, planning, land use and resources policy.

The group:

- works across government and the broader community to improve productivity, optimise resource allocation, facilitate major projects, streamline regulatory frameworks and promote international trade and investment
- supports delivery against government goals and targets through benchmarking, performance reporting and capability assessments
- has secretariat responsibility for three subcommittees of Cabinet: the Expenditure Review Committee, the Cabinet Standing Committee on Infrastructure, and the Cabinet Standing Committee on Resources and Land Use
- comprises three branches: State Economy, Cities and Resources and Land Use.

## Government, Corporate and Regional Coordination Group

The Government, Corporate and Regional Coordination Group provides DPC's enabling functions through corporate governance, ministerial support, protocol, events and regional coordination, as well as government functions for advertising and communications.

The group:

- is responsible for providing DPC with the mechanisms to transform the way it does business and interacts with customers
- provides human resources, information technology, finance, governance, communications, security, transport, property and facilities support to DPC and the NSW Ministry, and as needed, to the Premier and Cabinet cluster
- provides communication and media support to the Premier's and Deputy Premier's offices, DPC, relevant portfolio ministers, and other agencies as appropriate
- works with agencies to ensure that government priorities are met at a regional level
- includes the delivery of major events and protocol support, and leads whole of government communications coordination
- supports the Governor of New South Wales through the provision of staff and corporate services to Government House, Sydney.

## Premier's Implementation Unit

The Premier's Implementation Unit (PIU) supports the Premier in driving delivery of the 12 Premier's Priorities. The unit works closely with agency implementation teams in the use of data and to identify and help implement opportunities and address barriers to delivery. The unit will remain steadfastly focused on delivery of the Premier's Priorities and will work collaboratively to improve performance and report on delivery progress.

## Regional NSW Group

The Regional NSW Group was established within DPC this year to support the Deputy Premier in his role as Minister for Regional NSW. The group includes an economic modelling and analysis team (the Centre for Economic and Regional Development) based in Orange and a regional development network which works across the state.

The group:

- leads policy development for the regional NSW portfolio and drives the implementation of the Regional Development Framework
- leads the development and delivery of a suite of regional development and infrastructure grants programs
- engages with business, industry, local councils and the Australian Government to drive the delivery of regional economic development programs
- provides specialist project appraisal and program evaluation services for regional programs
- develops and implements cross-border action plans with the Australian Capital Territory, Queensland and Victoria.

## Social Policy Group

The Social Policy Group gives advice and strategic support to the government on social policy and intergovernmental matters and helps co-ordinate Cabinet business. Supporting the government's agenda to enhance the lives of people in NSW, the group provides active leadership in the policy agenda, collaborating on issues and brokering evidence-based solutions to complex social policy matters.

The group also supports the Social Policy Cabinet Committee and the Counter Terrorism and Emergency Management Cabinet Committee.

Areas of focus include:

- Aboriginal affairs
- health
- education and skills
- National Disability Insurance Scheme (NDIS) reform
- justice, police and emergency services
- counter terrorism and countering violent extremism
- intergovernmental relations
- Family and Community Services (FACS)
- social impact investing
- behavioural insights.



## Premier and Cabinet cluster

DPC is the lead department of the Premier and Cabinet cluster.

The cluster included the following entities as at 30 June 2017:

- Barangaroo Delivery Authority
- Infrastructure NSW
- Natural Resources Commission
- Parliamentary Counsel's Office
- UrbanGrowth NSW Development Corporation.

The cluster also included the following independent entities as at 30 June 2017:

- Audit Office
- Independent Commission Against Corruption
- Independent Pricing and Regulatory Tribunal of NSW
- Inspector of Independent Commission Against Corruption
- Inspector of the Police Integrity Commission
- NSW Electoral Commission
- NSW Ombudsman's Office
- Public Service Commission.

Agencies which moved out of the cluster during 2016–17 as a result of administrative changes:

- The Trustees of the Anzac Memorial Building
- Destination NSW
- NSW Institute of Sport
- Office of Sport
- Sydney Cricket and Sports Ground Trust
- Sydney Olympic Park Authority
- Venues NSW.

The entities above that are required to produce annual reports do so separately from DPC's annual report.

# PERFORMANCE HIGHLIGHTS

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## Driving performance and innovation

The 12 Premier's Priorities are a mix of social, economic and environmental priorities that have a direct and measurable citizen impact. The Premier's Implementation Unit (PIU) analyses and tracks the impact of targeted interventions to support the priorities and collects data to rigorously monitor their effectiveness in driving performance. These efforts have resulted in improved outcomes for citizens across a range of service areas, including improved literacy and numeracy outcomes for NSW children. An additional 13,679 children scored in the top two NAPLAN bands in 2017 compared to 2013-14. Service levels in hospitals improved, resulting in the average time taken for patients requiring a guardianship application being reduced from 83 days to 27 days. This not only ensures patients don't stay in hospital any longer than required but also improves patient flow through the hospital.

DPC also expanded its successful Behavioural Insights (BI) program this year to support a wide range of government agencies. The department's cutting edge work has increasingly moved into addressing complex ongoing problems and supporting the Premier's Priorities by applying insights from the behavioural sciences. A key highlight of DPC's work has been a partnership with the Department of Justice, NSW Police Force and other agencies to address domestic violence by encouraging more defendants to attend court and helping perpetrators understand and comply with their Apprehended Domestic Violence Orders. The department has also worked with the Ministry of Health and a number of hospitals to speed up the process of discharging patients who are ready to go home and so free up beds for new patients. It is also working on childhood obesity, increasing diversity in the NSW public sector, and other priorities.

## Delivering for regional NSW

DPC supported the launch of the Deputy Premier's Regional Growth Fund, a \$1.3 billion investment in regional infrastructure to boost local economies and improve services in communities. The fund aligns with the NSW Government's Regional Development Framework which establishes a plan for regional development over the next 30 years that ensures every community across the state benefits from NSW's economic success.

As part of the delivery of the Regional Development Framework, DPC worked with Treasury, Infrastructure NSW, Department of Industry, Office of Sport, the NSW Telco Authority and Create NSW to successfully design and implement delivery

of the Regional Growth Fund. This fund will invest in infrastructure to grow local economies, support mining communities, improve voice and data connectivity, improve sporting and cultural infrastructure over the next four years. To support delivery of the fund, DPC has been working with communities and local government to prioritise infrastructure investment decisions. This is the first time this work has been undertaken to coordinate long-term planning across the entire state on this scale.

## Improving housing affordability

DPC led the development of the NSW Government Housing Affordability Strategy announced by the Premier, Treasurer and Minister for Planning on 1 June 2017. The comprehensive \$4.3 billion package is designed to improve housing affordability across NSW through three key policy changes:

- increasing the assistance available to first home buyers
- increasing housing supply at reasonable prices
- accelerating the delivery of infrastructure to support growing communities.

DPC worked closely with the former Governor of the Reserve Bank of Australia, Glenn Stevens AC, who was asked to advise the Premier on housing affordability, as well as the Department of Planning and Environment and NSW Treasury. The strategy addresses the challenges faced by households looking to purchase their first home. In developing the strategy, DPC led policy development and stakeholder engagement. Mr Stevens prepared an independent assessment of policy proposals considered during the development of the strategy. The department was also instrumental in the NSW Government establishing a new Premier's Priority on Housing Affordability which has a headline goal of increasing the number of dwelling completions to 61,000, on average, per financial year to 2020-2021. DPC will be involved in the oversight of the strategy's implementation.

## Empowering Aboriginal people

The department plays an important role in helping empower Aboriginal people through Local Decision Making (LDM) Accords as part of the NSW Government's plan for Aboriginal Affairs, *OCHRE*. LDM aims to ensure that Aboriginal communities have a genuine voice in determining what services are available in their communities and how they are delivered. The Regional Coordination branch of DPC manages the participation of agencies in LDM and coordinates service re-design where appropriate.

DPC is leading the negotiations for the NSW Government with the Illawarra Wingecarribee Alliance Aboriginal Corporation, is supporting negotiations with the Three Rivers Regional Assembly in Western NSW and continues to drive implementation of the first LDM Accord negotiated with the Murdi Paaki Regional Assembly. DPC is also working towards readiness for negotiations with the Barang (Central Coast), Tribal Wave (Mid North Coast), RADA (Far North Coast) and the Northern Region Aboriginal communities. DPC also provides an integral link between the Aboriginal community, government partners and philanthropic support for the Maranguka Justice Reinvestment campaign in Bourke, brokering solutions to support this place-based initiative.

### **Improving the lives of vulnerable children and families**

DPC partnered with NSW Treasury and the Department of Family and Community Services to pioneer new reforms aimed at ending the cycle of inter-generational disadvantage and rising numbers of children entering the out-of-home-care system.

The reforms, under the banner *Their Future Matters: A New Approach*, will include:

- a new commissioning unit within FACS responsible for ensuring children and families receive coordinated services across government departments
- the tailoring of services to meet the specific needs of children and families, be it education, drug and alcohol, mental health or support with domestic violence
- funding for new programs to assist vulnerable families in more than 350 locations, based on internationally-tested evidence
- new outcomes-based contracts to promote accountability in service delivery.

### **Supporting refugees to rebuild their lives in NSW**

DPC worked with the NSW Coordinator-General for Refugee Resettlement, Professor Peter Shergold AC, to expand health, education and family support services for refugees and develop new initiatives to meet their needs. This support includes the \$22 million Refugee Employment Support Program which leverages the expertise of case managers, training and education providers and corporate supporters to provide sustainable and skilled employment pathways for refugees. The NSW Government supports refugees through a

whole-of-community approach, strengthening services across government, community and private sectors. This partnership will continue as responsibility for overseeing and coordinating the NSW Government's role in refugee settlement transitions to Multicultural NSW from 1 July 2017.

### **Supporting 20 new councils**

DPC played a key support role in the development, examination and review of 45 council merger proposals, a key aspect of the NSW Government's local government reform agenda, and supported the implementation of 20 new councils in 2016. DPC supported the new councils to ensure they made good progress in delivering merger benefits. Ongoing support to merged councils is now provided by the Office of Local Government reflecting the 2017 machinery of government changes. With the assistance of DPC, the 20 new councils have realised more than \$52 million in financial savings – funding that can now be reinvested into new services and infrastructure for council residents and ratepayers. The new councils are on track to save more than \$450 million across the next decade. In the first year, the new councils have also delivered more than 800 community-based projects such as upgrades and improvements to local sporting and town facilities, playgrounds and community centres. In doing so, councils have invested nearly \$200 million in their local areas.

### **Creating jobs for veterans**

In March 2015, the NSW Government made a commitment to help an additional 200 veterans find suitable, sustainable and meaningful employment in the NSW Government Sector by 2019. The result of this commitment was the establishment of a dedicated Veterans Employment Program launched at Parliament House on 5 May 2016.

By January 2017, data collected by the NSW Public Service Commission indicated that 310 former Australian Defence Force personnel had been newly employed in NSW Government roles since the commencement of the program. This result surpassed the target by 55 per cent. Data collected through collaboration with the Public Service Commission enabled analyses of application and recruitment trends of veterans across the NSW Public Sector. These insights will inform the ongoing improvement of program initiatives, and help to achieve a wider understanding of the transferability of veterans' skills to civilian workplaces. The Office for Veterans' Affairs has now moved to the Department of Industry in accordance with the 2017 machinery of government changes.

# **STATEMENT OF STRATEGIC INTENT 2016-2019**

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## **OUR MISSION**

**We enhance the lives of  
the people of NSW by  
driving priorities, brokering  
outcomes and delivering  
programs and services.**

## AREAS OF FOCUS

We are focused on supporting the NSW Government to deliver on its identified priorities:

- Strong budget and economy
- Building infrastructure
- Protecting the vulnerable
- Developing NSW's regions
- Better services
- Safer communities.

We will support delivery against these priorities through high standards of service delivery and advice to government and the people of NSW, and effective community and stakeholder engagement.

### Organisational effectiveness

- To achieve DPC's mission successfully and support the Areas of Focus, we promote and build the capabilities our organisation and our people require to succeed.
- We understand how our work contributes to the bigger picture, can articulate it clearly to others and have the skills, resources and authority to shape policies, programs and strategies to align with the overarching direction.

### Capabilities in our organisation

- We have a high level of awareness of the organisation's priorities and emerging issues which drives individual, team and organisational performance.
- We are a valued partner and advisor and provide accurate and timely advice that is fit-for-purpose.
- We focus time and resources where they are needed most.
- We maintain high standards of governance and financial management.

### Capabilities in our people

- We are exemplar public administrators.
- We promote an engaging, effective and diverse workplace.
- We are clear on what is expected of us, engaged in our work and supported to reach our full potential.
- Performance evaluation to promote ongoing improvement is embedded in everything we do.

# EMBRACING PUBLIC SECTOR CORE VALUES

DPC embraces  
and promotes  
the public sector  
core values through  
its Statement of  
Strategic Intent.





## INTEGRITY

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- Consider people equally without prejudice or favour.
- Act professionally with honesty, consistency and impartiality.
- Take responsibility for situations, showing leadership and courage.
- Place the public interest over personal interest.



## TRUST

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- Appreciate difference and welcome learning from others.
- Build relationships based on mutual respect.
- Uphold the law, institutions of government and democratic principles.
- Communicate intentions clearly and invite teamwork and collaboration.
- Provide apolitical and non partisan advice.



## SERVICE

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- Provide services fairly with a focus on customer needs.
- Be flexible, innovative and reliable in service delivery.
- Engage with the not for profit and business sectors to develop and implement service solutions.
- Focus on quality while maximising service delivery.



## ACCOUNTABILITY

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- Recruit and promote employees on merit.
- Take responsibility for decisions and actions.
- Provide transparency to enable public scrutiny.
- Observe standards for safety.
- Be fiscally responsible and focus on efficient, effective and prudent use of resources.

# ACHIEVEMENTS





# AREA OF FOCUS 1

## STRONG BUDGET AND ECONOMY

### Unlocking the potential of NSW assets

DPC, working closely with NSW Treasury, has been at the core of transactions to lease the state's electricity network assets to fund investment in infrastructure across the state. In 2016, DPC led the unsolicited proposal for the Ausgrid transaction, following the decision of the Commonwealth Treasurer to decline to approve the bidders in the competitive process. The transaction was the largest completed under the unsolicited proposals framework—with gross proceeds of \$16.189 billion—and required extensive analysis by DPC, NSW Treasury and transaction advisers to confirm its probity and value. The transaction delivered for NSW citizens, as did the subsequent Endeavour Energy transaction completed in 2016–17, with gross proceeds of \$7.624 billion. In each of these transactions, DPC provided secretariat support to the NSW Electricity Price Commissioner, Professor Allan Fels AO, by preparing pre-transaction reports which confirmed that the transactions were unlikely to cause an increase in total network charges.

### Developing Western Sydney

DPC worked with stakeholder agencies in developing the framework for the Western Sydney City Deal, which is being developed with the Australian Government and eight local government areas in western and south-western Sydney. This work will continue in 2017–18 as the Western Sydney City Deal is refined. DPC continues its engagement with the Australian Government on the development of the Western Sydney Airport, to ensure the opportunities for new jobs, infrastructure planning and delivery will support NSW's economic growth.

### Boosting investment in NSW

DPC works to grow the NSW economy and create jobs around the state by increasing our global competitiveness and attracting foreign direct investment. In 2016–17, DPC's onshore and offshore offices facilitated 23 foreign direct investment projects, valued at \$1.5 billion, which created 825 jobs. DPC's efforts also attracted an additional \$1.2 billion in capital funding in to NSW. Significant investments over the last few months include a new Japanese university at Newcastle, a major USA business accelerator and numerous technology companies. By increasing our global competitiveness, we aim to attract 15,000 new jobs per year to NSW through international investment by 2020.

### Managing land and conserving biodiversity

The NSW Parliament passed the Biodiversity Conservation Bill and Local Land Services Amendment Bill in November 2016, reforms aimed at improving farm productivity and better protecting biodiversity. These measures are supported by the \$100 million Saving Our Species program and an investment of \$240 million over five years, and \$70 million each year after that, towards private land conservation. DPC's role has been to work with the Office of Environment and Heritage, Department of Primary Industries and Department of Planning and Environment to help drive a cohesive government approach to delivering the reforms.

### Negotiating a new national public hospital funding agreement

Health-related payments account for around one-third of non-GST payments from the Australian Government to NSW. In early 2017, the Premier settled the terms of a new national public hospital funding agreement with the Australian Government. NSW hospitals will be around \$650 million better off over the three-year term of the agreement.

The agreement includes a new focus on patient safety that will support clinicians to deliver the highest quality care. DPC worked closely with NSW Health and NSW Treasury to ensure the revised agreement protects and advances the interests of patients and the NSW health system.

### Building economic development in Aboriginal communities

DPC has partnered with Aboriginal Affairs to deliver a strategy to promote the economic prosperity of Aboriginal people. The strategy was launched in December and focuses on three key areas:

- boosting jobs and employment by doubling the number of Aboriginal people in senior leadership roles and ensuring that all government construction over \$1 million includes a target expenditure on Aboriginal participation
- improving education and skills by ensuring that at least 95 per cent of Aboriginal children are enrolled in early childhood education programs before they start school and increasing reading and literacy rates by 30 per cent
- developing economic agency by ensuring that infrastructure plans include Aboriginal economic participation and that Aboriginal small and medium-sized enterprises have greater access to the NSW Government's small business advisory services.

## Diversifying the Upper Hunter economy

DPC led the development of the Upper Hunter Diversification Plan which sets renewed priorities for encouraging business and employment opportunities to support the sustainable economic transition of the region. DPC partnered with state agencies, local government and industry to examine the future of the Upper Hunter region over the next 20–25 years to develop diversification priorities built on partnerships with regional stakeholders.

## Driving better regulatory outcomes

DPC supported the independent review of the NSW regulatory policy framework chaired by the Hon Nick Greiner AC. Government regulations touch the everyday actions and decisions of businesses and citizens and this broad review is examining opportunities to streamline and modernise the current framework. The review will ensure that the NSW Government is well positioned to balance its role in managing safety and consumer protection while driving productivity and innovation in an environment of emerging business models and digital technology. The independent panel delivered an issues paper in November 2016 and a draft report for public consultation in May 2017. The panel is expected to deliver its final report to the NSW Government in the second half of 2017.

## Supporting energy security and affordability

DPC has played a central role in supporting the Premier and the Minister for Energy and Utilities in developing NSW's energy and climate change policies. In November 2016, the NSW Climate Change Policy Framework was released. It commits NSW to achieving the aspirational long-term objective of net zero emissions by 2050. DPC worked closely with the Division of Resources and Energy and the NSW Chief Scientist, to advise the Premier and Minister for Energy and Utilities, on policies that would support energy security and energy affordability in NSW. These policies promote balancing investment in firm generation capacity in the context of a transition to low emissions.

## Supporting large film projects

DPC worked with Screen NSW and government agencies to facilitate several complex film projects including the filming of the latest instalment of the Pacific Rim franchise, much of which is based in Sydney. Filming took place in locations around Sydney including Darling Harbour, North Sydney and around the Sydney Harbour Bridge.

## Showcasing NSW's capabilities to the world

DPC facilitated four missions over the past year to NSW's priority markets: India, Indonesia, Japan and the Republic of Korea. In March 2017, DPC brought together 20 senior Australian and Chinese representatives in Sydney, including 14 heads of government. Each of these activities created opportunities for NSW business to foster greater trade and investment outcomes, deepen international relations and identify new and emerging policies in innovation, industry development and technology.

## Growing NSW's exports

In partnership with Austrade, DFAT, business chambers and bilateral councils, DPC delivered more than 74 export capability building events to nearly 3,510 businesses across NSW. It also engaged directly with more than 530 businesses across the state to build export-ready and sustainable operations. In 2016–17, export advisors supported 96 NSW companies at offshore trade events. DPC also coordinated visit programs to regional NSW for 12 Australian heads of mission.

## Promoting international education

StudyNSW is helping NSW attract more international students than any other state in Australia. In 2016, NSW welcomed more than 267,000 international student enrolments—a 10 per cent increase on the 2015 figure. In 2016–17 StudyNSW continued to deliver initiatives to grow and support the international education sector in NSW, including the international student welcome desk at Sydney Airport to greet and assist arriving students. It co-funded five partner projects to improve the international student experience, encompassing health and wellbeing services, legal advice services, and projects to support student employability and entrepreneurialism.

## Boosting apprenticeships and traineeships

The NSW Government has a state priority to increase the proportion of students completing apprenticeships and traineeships to 65 per cent by 2019. DPC supported the NSW Department of Industry towards achieving this target. This included a data analysis exercise to identify performance patterns across industries and regions which helped to prioritise a range of initiatives and policies. The proportion of students completing apprenticeships increased from a baseline of 56.47 per cent to over 60 per cent and is on track to achieve the target.

# AREA OF FOCUS 2

## BUILDING INFRASTRUCTURE

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### Guiding major projects

Key infrastructure projects across NSW include the Pacific Highway upgrade, WestConnex, NorthConnex, Sydney Light Rail, Parramatta Light Rail, Sydney Metro, the Central Station upgrade, the Broken Hill long-term water supply, a new museum in Parramatta, Western Sydney Stadium, Northern Beaches B-Line, Newcastle Light Rail and new train fleets procurement. DPC provides oversight on boards and steering committees for many of these projects and works with agencies to achieve good planning and governance practices to help deliver the Premier's Priority of delivering key infrastructure on time and on budget. DPC works closely with Infrastructure NSW to apply the Infrastructure Investor Assurance Framework to projects. This risk-based framework helps to effectively monitor the NSW Government's large infrastructure program.

DPC is working with agencies to ensure consistency and coordinate timing between the NSW Government's key upcoming long-term strategies including Future Transport, the State Infrastructure Strategy and the Greater Sydney Commission's District Plans.

### Supporting educational infrastructure for a growing population

By 2031, the number of students in NSW schools will increase from approximately 1,224,000 in 2016 to 1,493,000 – representing a large 22 per cent growth in student numbers. DPC worked with the NSW Department of Education and the NSW Treasury to develop the School Assets Strategic Plan (SASP) to meet the future infrastructure needs of NSW schools. The SASP was praised by the NSW Auditor-General as a 'good plan' to accommodate predicted school enrolment demand. Under the SASP, the NSW Government committed a total of \$4.2 billion in school infrastructure funding over the next four years. A new capital planning limit for education has also been agreed to provide longer term security of funding.

### Regional growth – environment and tourism fund

Working with Infrastructure NSW, the Office of Environment and Heritage and the Department of Industry, DPC Regional Group has led the delivery of the first \$100 million round of the Regional Growth – Environment and Tourism Fund and is supporting the preparation of business cases for short-listed projects and undertaking the choice modelling to inform recommendations to the NSW Government for final funding decisions.

### Supporting tourism infrastructure

DPC managed the roll-out of the Commonwealth's 2016–17 Tourism Demand Driver Infrastructure funding program. After assessing more than 100 applications from across New South Wales, DPC executed \$4.9 million worth of funding agreements with 21 proponents. The projects, ranging from upgrades to events and conference facilities to new nature-based attractions, will help to drive visitation in key destinations, particularly in regional New South Wales.

### Reducing mobile black spots

DPC worked with the NSW Telco Authority, the Commonwealth and mobile phone carriers to support the continuing roll-out of the Mobile Black Spot Program to enhance mobile coverage across regional NSW. The NSW Government has committed \$39 million to date that will deliver at least 183 new or upgraded mobile phone base stations across regional NSW by the end of 2018.

# AREA OF FOCUS 3

## PROTECTING THE VULNERABLE

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### Delivering more social housing for NSW

DPC has partnered with FACS and Treasury to deliver more social housing through the Social and Affordable Housing Fund scheme. The scheme will deliver an additional 2,200 social and affordable homes in metropolitan and regional NSW over the next four years. In March 2017, providers were selected to commence the commissioning process and the majority of homes are expected to be delivered within three years.

### Delivering inclusive, accessible events

DPC is a leader in delivering inclusive and accessible events and communications. Many events which DPC is involved in have accessibility and inclusion services for people with disability and limited mobility.

DPC provided accessible events training for event organisers and local councils to ensure celebrations and commemorations can be enjoyed by people with disability, including those guests with mental health considerations.

### Supporting a review of medicinal cannabis

The Medicinal Cannabis Compassionate Use Scheme provides guidance for the NSW Police Force on how to use discretion when confronted with adults with terminal illness who use cannabis to alleviate their symptoms, as well as carers who assist them.

DPC supported a review of the scheme by consulting with clinicians, medical researchers and government agencies. DPC analysed this information to develop preliminary findings for the review. Led by the NSW Chief Scientist and Engineer, Professor Mary O’Kane, the review was supportive of the scheme and recommended improvements to make it easier for terminally ill patients to access the scheme.

### Launching the 2018 Invictus Games

DPC supported the launch of the *500 Days To Go* campaign for the Invictus Games Sydney 2018 by Prince Harry, Patron of the Invictus Games Foundation. The games use the power of sport to inspire recovery, support rehabilitation and generate a wider understanding and respect for wounded, injured and sick servicemen and women and the families that play such an important supporting role. It is the only international adaptive sporting event for wounded, ill and injured active duty and veteran service members.

### Reforming service delivery

DPC negotiated the evaluation of service delivery reform in Western Sydney. A year-long study is evaluating the impact of the multi-agency Making a Safe Home and Vulnerable Families initiative, which is working with hundreds of families. Making a Safe Home provides support services tailored for a family at risk of having a child removed into out-of-home-care to enable the child to stay with the family. Vulnerable Families is a program which aims to improve health and life outcomes by brokering health services for families referred by FACS.

### Implementing change for the Muswellbrook community

DPC leads collaboration between state agencies, local government, the University of Newcastle, Griffith University and the non-government sector on projects for the vulnerable and socially disadvantaged in the Muswellbrook community. The Strong Families – Capable Communities and the CREATE-ing Pathways projects will establish a framework for identifying and implementing effective, measurable and sustained positive change.

### Protecting our kids

DPC has worked closely with FACS to identify and roll out initiatives to help caseworkers support the most vulnerable members of our community. Through fieldwork and data analysis, DPC supported FACS in developing targeted training packages and system improvements to increase the effectiveness of caseworker decision-making. This included increasing the number of support workers so that caseworkers had more time to spend with children and their families.

### Improving mental health and wellbeing for emergency services personnel

DPC worked with the NSW Mental Health Commission, the Black Dog Institute, the Ministry of Health and first responder agencies (including police, paramedics and fire fighters) to develop the Mental Health and Wellbeing Strategy for First Responder Organisations in NSW. DPC played a key role in bringing agencies together and facilitating discussions to reach an agreed purpose and direction for the strategy.

The strategy sets out the commitment of NSW first responder agencies to promote and protect the mental health and wellbeing of their staff and members. It was launched by the Premier and the Minister for Mental Health in October 2016.

# AREA OF FOCUS 4

## BETTER SERVICES

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### Expanding Service NSW Centres in regional areas

DPC worked with Service NSW to prepare a successful business case to expand the number of Service NSW centres in regional NSW. Infrastructure NSW supported the proposal and all of the 24 remaining Road and Maritime registries will be transitioned to Service NSW Service Centres which will improve access to government services for residents in regional and remote NSW.

### Applying behavioural insights to improve patient outcomes

DPC collaborated with NSW Health and 17 hospitals across NSW to explore new ways of improving patient outcomes.

DPC piloted a new, behaviourally-informed approach for clinical teams to assess, treat and discharge patients. The approach was designed to enable patients to return home when they were clinically ready and free up hospital beds for other patients to be admitted and receive hospital-based care.

At least one hospital shows that having a doctor rostered on to discharge patients on the weekend has been particularly effective. DPC continues to work with NSW Health as it scales up the behavioural approach for further evaluation.

### Supporting Newcastle Transport

DPC contributed to the successful implementation of a new multi-modal transport operator in Newcastle. Newcastle Transport will deliver more frequent services and a new timetabling system that will link bus, ferry and light rail timetables to ensure the best services for customers. Newcastle Transport started running the bus and ferry system in July 2017, and will overhaul the bus and ferry timetable in early 2018. It will run light rail when services start in 2019.

### Delivering communications efficiencies

DPC has improved government's access to expert advertising and digital communication suppliers, including small and medium size companies, by delivering and managing a streamlined prequalification scheme, with 82 suppliers currently on the panel. DPC also manages the NSW Government's advertising purchasing agreements for approximately \$80 million of media services. It advises on media rate negotiations, provides critical analysis, monitoring, benchmarking and reporting

on NSW Government agency advertising expenditure and provides high level advice to agencies regarding supplier engagement protocols and processes.

### Maximising opportunities in Eden

In 2016 DPC brought together a number of NSW government agencies to ensure that opportunities from the Port of Eden infrastructure project provided maximum benefit to the community. In 2017 an Eden Whole-of-Government working group developed an action plan with work commencing on a number of activities including the development of a Concept Master Plan for the Snug Cove precinct at Port of Eden.

### Helping patients leave hospital sooner

DPC facilitated a six-month Guardianship Pilot Project to streamline the guardianship application process for hospital patients. In partnership with the Ministry of Health, the NSW Civil and Administrative Tribunal, and the Office of the Public Guardian, and Trustee and Guardian, the implementation of pilot interventions resulted in a quicker guardianship process, leading to improved patient outcomes and bed-day capacity. This will support progress toward the Premier's Priority to achieve 81 per cent of patients through emergency departments within four hours.

### Innovating with social impact investments

The Office of Social Impact Investment delivered three new social impact investments. The On TRACC investment aims to reduce re-offending for up to 3,900 parolees and support them to reintegrate successfully into the community. The Silver Chain investment will support around 8,300 patients who have an advanced, life-limiting and progressing illness with enhanced community-based, palliative care services. The Resolve Social Benefit Bond seeks to improve the well-being of 530 mental health patients. In total, five social impact investments have now been delivered in NSW, aiming to improve the lives of around 16,000 people.

# AREA OF FOCUS 5

## SAFER COMMUNITIES

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### Responding to the Coroner's report about the Lindt Café siege

In May 2017, the NSW State Coroner handed down his report into the deaths arising out of the Lindt Café siege. DPC coordinated a whole of government working group which assisted the NSW Government to prepare a response to the Coroner's recommendations. DPC also assisted the government prepare the Terrorism Legislation Amendment (Police Powers and Parole) Bill, which Parliament passed in June 2017, addressing a recommendation of the Coroner's report in relation to police powers during siege-like terrorist incidents.

### Reducing the risk of terrorism and violent extremism

Following the announcement of the new portfolio in January 2017, the DPC Counter Terrorism (CT) and Countering Violent Extremism (CVE) teams have supported the Minister for Counter Terrorism in his coordination of strategic policy in NSW. The Premier's Fund for Social Cohesion was launched in December 2016. This is a small grants program that supports community-led events and activities that bring together people from diverse cultural backgrounds to develop stronger mutual understanding and social cohesion. The CVE Community Advice and Support Service was launched in June 2017, following extensive design consultation. It will provide information and support to those that are concerned that someone they know may be vulnerable to engaging with violent extremism.

### Developing a White Ribbon Community framework

In early 2016 the New England North West regional leadership executive initiated a co-design project to explore new approaches to prevent domestic violence. In partnership with White Ribbon Australia (WRA) the project is developing a framework to recognise communities as White Ribbon Communities. An assessment framework has been developed and the community has been surveyed to understand and gain a benchmark on levels of awareness. Activities are now being conducted to change social norms and improve understanding. Co-led by Inverell Shire Council, DPC and WRA, the team includes FACS, New England Local Area Command (Police), Hunter New England Health, the Department of Education, Pathfinders Specialist Homelessness Services, Armajun Aboriginal Health Services and Inverell Rural Outreach.

### Using behavioural insights to improve ADVO compliance

DPC partnered with the Department of Justice to simplify and redevelop the Apprehended Domestic Violence Order (ADVO) to strengthen its effectiveness. The changes were based on significant fieldwork research undertaken to understand the issues facing defendants in complying with ADVOs and the impact on victims.

The new ADVO was rolled out in December 2016. The changes included:

- simplifying language and using plain English examples to help defendants better understand their obligations under the ADVO
- prioritising and personalising key messages to make the consequences of breaching more salient and encourage greater accountability
- incorporating behaviour change messages to highlight the impact of violence on children and challenge the normalisation of domestic violence, as well as signposting to behaviour change services.

### Supporting the review of the night-time economy

DPC worked with Liquor and Gaming NSW to bring together a range of industry, community and government stakeholders to discuss the barriers and opportunities of Sydney's night-time economy and make recommendations for improvement. The review delivered recommendations that will enhance community safety while creating more diverse and vibrant night-time entertainment options.

### Delivering safe events for NSW

DPC worked with NSW Police, Transport Management Centre and landholders to ensure events supported or coordinated by the department took account of the latest crowd safety strategies in light of terrorism events in Australia and overseas. This included the use of crowd-counting technology, bag checks, messages to the public and other target hardening strategies.

Whole of Government Integrated Crowd Management Guidelines coordinated by DPC were implemented for Sydney New Year's Eve and Vivid Sydney 2017 to provide guidance to event organisers and government agencies on integrated crowd management.

# AREA OF FOCUS 6

## DEVELOPING THE REGIONS OF NSW

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### Responding to natural disasters

During 2016–17, natural disasters impacted a number of regional NSW communities. DPC was active in helping communities recover from natural disasters in Western and Northern NSW, including the Central West and Riverina floods in late 2016, the Sir Ivan fire in February 2017 and the North Coast floods in March 2017. DPC facilitated applications to the Commonwealth for community recovery grant funding to support affected communities. Natural disaster declarations were made to ensure that people in the local government areas of Ballina, Byron, Kyogle, Lismore, Richmond Valley and Tweed had access to a range of assistance under the joint Commonwealth/State Natural Disaster Relief and Recovery Arrangements (NDRRA). The declaration was also extended to include the Clarence Valley and Tenterfield local government areas.

DPC also worked with local councils, industry chambers and stakeholders to establish the \$1 million Northern Rivers Business Recovery Program. This provided direct support to businesses in flood affected areas unable to access Category C Commonwealth Natural Disaster Recovery Assistance and also provided funding for projects to market that the region is 'back and open for business'. Twenty businesses have received direct support and a marketing campaign will be run by Destination NSW to attract tourists back to the region and maximise the potential benefits to the region from the 2018 Commonwealth Games.

### Leading on the National Disability Insurance Scheme

NSW continues to lead Australia in transitioning to the NDIS. From 1 July 2016 the NDIS began rolling out across half the State. From 1 July 2017, the NDIS will be available to people living in Northern New South Wales, the Mid North Coast, Sydney, South Eastern Sydney, the Illawarra Shoalhaven, Murrumbidgee, Western New South Wales and Far West regions of NSW.

DPC coordinates transition activity across government. Its focus is on strategic, policy, and cross-cluster matters, to support government decision-making and the achievement of NDIS implementation objectives.

Information is also provided to people with disability, their families and carers, to help them prepare for the NDIS.

### Improving employment outcomes for young job seekers

In 2016–17 DPC worked with more than 15 government and non-government partners to deliver the pilot Illawarra Youth Employment Strategy. The strategy was launched by the Parliamentary Secretary for the Illawarra and South Coast in July 2016 and involves young job seekers, government, industry and non-government organisations working together to proactively address the issue of youth unemployment. More than 10 pre-employment programs have been delivered through the strategy in targeted growth sectors including retail, hospitality, aged care and shared services. As at 30 June 2016, approximately 100 young job seekers have received training and connected with industry through the strategy.

### Conducting fieldwork in regional NSW

DPC supports the regions of NSW by going out to the frontline to see first-hand progress on the Premier's Priorities. Fieldwork is conducted to understand what are the key challenges facing the regions, and what initiatives are having an impact. DPC staff have travelled across the state: from Broken Hill to work with child protection case workers, to Albury to understand opportunities to improve education results, and to Singleton to hear from Aboriginal youth workers about reducing youth homelessness. The insights from the regions are used to drive delivery on the Premier's Priorities for the benefit of citizens.

## **Improving education outcomes in rural and remote NSW**

DPC is partnering with the Department of Education and universities to increase the number of teaching students undertaking professional experience placements in rural and remote NSW schools.

By using behavioural insights to identify how teaching students decide where to go on their professional experience placements, DPC is piloting different approaches to increase the attraction to, and retention of, quality teachers to rural and remote NSW schools.

## **Supporting regional events**

DPC worked with NSW Government agencies to support the successful delivery of the 14th leg of the FIA World Rally Championship, held in Coffs Harbour. DPC has worked with Rally Australia over a number of years to embed accessibility and inclusion considerations for the World Rally event hosted in Coffs Harbour. These considerations include Disability awareness training for rally staff and the official Rally Australia website providing a designated accessibility information page. In 2016 the event provided accessible viewing areas for the Super Special Stage and a number of spectator points located in remote locations. This provides an opportunity for those guests with limited mobility to still participate in the event outside of the Super Special Stage. A record number of guests with mobility requirements registered for these sites in 2016. DPC access and inclusion also facilitated a DIY Accessible and Inclusive workshop with Coffs Harbour City Council using the World Rally event as a best practice accessible regional event.



# AREA OF FOCUS 7

## EFFECTIVE GOVERNMENT

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### Supporting the Premier to advance NSW's interests nationally

In 2016–17, DPC coordinated the negotiation of intergovernmental agreements that provide around 16 per cent of NSW Government revenue. These agreements enable the delivery of essential services.

DPC has also supported the Premier in national and intergovernmental forums such as the Council of Australian Governments (COAG). The Premier has helped drive COAG commitment to a strategic, shared vision and clear reform priorities.

### Driving economic development in the regions

DPC has led the establishment of economic development subcommittees of regional leadership executives across NSW. These subcommittees work across all levels of government and engage local industry and community to prioritise projects that will deliver improved economic outcomes, including driving investment and job creation, across regional NSW.

### Strengthening focus and collaboration on key urban renewal projects

DPC is bringing responsibility for key urban renewal projects into the DPC cluster as part of the transition of UrbanGrowth NSW into two separate entities, the Urban Growth NSW Development Corporation (UGDC) and Landcom. By taking responsibility for UGDC and projects such as the Bays Precinct, Central to Eveleigh and Parramatta North, the Premier is able to ensure they are delivered efficiently and effectively from a whole-of-government perspective. DPC is leading the establishment of UGDC as a new organisation. This includes introducing legislation to allow the transfer of staff and assets and secure transferring employees' terms and conditions. Parliament passed this legislation on 22 June 2017.

### Overseeing state priorities

In September 2015, the government announced 12 Premier's and 18 NSW State Priorities. In the past year, DPC has continued to provide strategic oversight of the State Priorities, monitoring progress with a focus on delivery in both metropolitan and regional NSW, and closer policy engagement with implementing agencies.

### Supporting Cabinet

DPC has driven improvements to the systems supporting Cabinet and the NSW Government, with a focus on targeted policy consultation to aid Ministers in their decision-making. This includes training for the public sector and improved information technology systems to optimise confidential consultation around Cabinet items.

### Supporting the Governor

DPC supports the Governor of New South Wales through the provision of staff and corporate services to Government House Sydney.

Government House Sydney supports His Excellency in his constitutional, ceremonial and community roles, including supporting the Governor's role as President of the Executive Council and supporting His Excellency's regional visit program that spans the full period of his commission as Governor.

During the year, Government House Sydney hosted 367 events with 16,704 guests attending in support of the Governor's constitutional, ceremonial and community role. His Excellency and Mrs Hurley were supported on 416 events external to Government House including events conducted during regional visits. 14 charitable and community events with 2,534 guests attending were also held at Government House. 14,774 people participated in tours of the House and 59,858 visited the grounds.

### Hosting guests of government

DPC provided Guest of Government media management by coordinating media for visits by the Indonesian President, Israeli Prime Minister, US Vice President, Chinese Premier and Japanese Prime Minister, among others.

### Reforming ICAC

DPC supported the Premier in introducing a Bill designed to improve the structure and governance, decision-making and oversight of the Independent Commission Against Corruption (ICAC). DPC also supported the Nominations Panel established by the Premier to select candidates suitable for appointment to the re-structured Commission.

## AREA OF FOCUS 8

# EFFECTIVE COMMUNITY AND STAKEHOLDER ENGAGEMENT

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### Marking the Centenary of Anzac

The NSW Government's Centenary of Anzac commemorative program includes ceremonial, educational and cultural activities that focus on encouraging community participation in local commemorations and projects from 2014–2018 to mark 100 years since the First World War and a century of service by Australian Defence personnel. The overall program is being coordinated by Veterans Affairs, DPC (to 31 March).

#### Key highlights of the 2016–17 Centenary of Anzac activities

- The Premier's Anzac Memorial Scholarship 2016 and 2017 Tour. The 2016 tour sent 24 high school students to the Western Front to learn about Australia's involvement in WWI. The tour departed from Sydney 14 July 2016 and returned 25 July 2016 and gave students insight into Australia's experience of the conflict and the significance of the Anzac tradition. A ballot for the 2017 Premier's Anzac Memorial was held in November 2016. Schools drawn from the ballot were responsible for running a local selection process to nominate a student from their school to attend the tour. The students represent all school sectors in NSW, and come from a range of different locations. They will depart for Europe in September 2017 and travel to battlefields and memorial sites in France and Belgium.
- The Anzac Memorial Centenary Project (AMCP). The first sod was ceremoniously turned in Hyde Park on 4 August 2016. The project is a key legacy of the NSW Government and will realise the vision of the original architect, Bruce Dellit, while introducing new spaces for the community.
- The company X2 Design was successful in the tender to design the AMCP's new exhibition. Work on the development has progressed steadily.
- Work continued on the resolution of the Fiona Hall artwork for the Memorial's new Hall of Service. The artwork will feature close to 1,700 plaques listing every NSW town, suburb and locality that enlistees for the First World War gave as their home address. A sample of soil collected from each area will be displayed alongside the place name.
- The commemorative book *New South Wales and The Great War* was launched by His Excellency the Governor David Hurley at Government House in November 2016.
- The 2016 Premier's Centenary of Anzac Reception was held in November 2016 at the Cutaway in Barangaroo and was attended by more than 800 people including veterans of the Second World War.
- The Sydney Opera House sails came alive with an animation of poppies on the evening of Remembrance Day, with the images receiving international media attention.
- The 2016–17 Anzac Community Grants Program closed in February 2017. A record 49 grants were recommended for community projects.
- The Centenary Project Soil Collection Program was launched by the Minister for Veterans Affairs and Lieutenant General Ken Gillespie, chair of the NSW Centenary of Anzac Advisory Council, in Bathurst on 27 March 2017.

### Moving in the right direction

A collaborative initiative between DPC and the Western Sydney Local Health District took out the 2017 Pemulwuy Prize at the Western Sydney Leadership Dialogue's Out There Summit in April 2017. The strategy will produce a significant shift in the rate of diabetes in Western Sydney by focussing on the known preventative measures of type 2 diabetes: balanced diet and increasing level of physical activities. It will prevent 10,000 people (over 14 years) from getting diabetes and produce \$318,412,000 of avoided costs to NSW.

### Supporting the Williamstown local communities

Led by DPC, the Williamstown Contamination Investigation Community Reference Group (CRG) has been formed to support local communities to address concerns related to the detection of per- and polyfluoroalkyl substances (PFAS) contamination in nearby surface water, groundwater and biota emanating from the Williamstown RAAF base in the Hunter region. The CRG consists of state, federal and local government representatives as well as representatives from the affected communities of Williamstown, Salt Ash and Fullerton Cove. It is a forum for government agencies to present information to the community as it comes to hand and to directly engage with the Department of Defence as the agency responsible for responding to the contamination.

## Delivering major NSW events

DPC continued to produce and support the delivery of high-quality events during ongoing major infrastructure and construction projects taking place around the Sydney CBD, including the successful delivery of welcome home events for the Olympic and Paralympic teams, the International Student Awards, Remembrance Day, New Year's Eve, the Anzac Day Dawn Service and Vivid.

## Celebrating Australia Day

DPC increased consultation with Aboriginal and Torres Strait Islander communities on Australia Day 2017 which resulted in a significant injection of Indigenous program content and participation across Australia Day in Sydney. Highlights included the travelling smoking ceremony which began at Belmore Park and travelled to events throughout Australia Day, such as the WugulOra ceremony at Barangaroo, the Yabun Indigenous Festival at Victoria Park, and Australia Day Live at the Sydney Opera House.

The Australia Day website, [www.australiaday.com.au](http://www.australiaday.com.au), was relaunched in October 2016 with a new design. New features included a trip planner for users to travel to, from and between events. The website had a 27 per cent increase on 2016 traffic. The Australia Day social media channels focused on Indigenous content as well as using new technologies to boost engagement. Promotional activities were also aimed at CALD audiences with advertising and event planner guides in Arabic, Chinese and Vietnamese. On Australia Day, social engagement increased by 300 per cent from 2016 to 420,000 interactions with a total reach of more than 6.5 million people. More than 1,600 items of media coverage were generated including live crosses from the Opera House forecourt concert, talk-back radio interviews, TV, radio and press news coverage.

**On Australia Day, social engagement increased by 300 per cent from 2016 to 420,000 interactions with a total reach of more than 6.5 million people.**

## Leading best practice government communications

DPC ensures that agencies apply a robust evaluation of their advertising and communications in line with international best practice standards. DPC has firmly embedded an evaluation framework into the sector's advertising processes with guidance and resources made available to agencies to support them to plan and execute campaigns. In 2016–17, DPC managed 85 peer reviews, with all using the evaluation framework to demonstrate how campaigns are informed by suitable evaluation and that outcomes and impact are measured.

## Building communications capability and collaboration

DPC fosters greater collaboration across agencies by coordinating peer networks for communications practitioners of all levels in the fields of social media, internal engagement and digital communications. DPC delivered a series of high-quality workshops for government agencies on evaluation and Aboriginal and culturally and linguistically diverse communications, as well as thought leadership seminars to initiate discussion on the future of government communications. In addition, DPC is leading a collaborative project to develop a communications and engagement capability framework for the sector, to assist recruitment and ensure professional development programs respond to future government communications needs.

## Relaunching [nsw.gov.au](http://nsw.gov.au)

The NSW Government's central website, [www.nsw.gov.au](http://www.nsw.gov.au), was relaunched in December 2016 with a new design and new features for users. These included customised content based on users' location, and a services directory to help users more easily navigate to the information they need on any other NSW Government website. The government's Have Your Say portal is also now part of the central NSW Government website. Results have demonstrated the success of the relaunch with more users, increased engagement and a lower bounce rate.

# AREA OF FOCUS 9

## CAPABILITIES IN OUR PEOPLE AND ORGANISATION

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### Developing a motivated and professional team

DPC places high value on practices designed to develop a highly motivated and professional team. In addition to rigorous recruitment and performance development practices, DPC actively promotes critical thinking and empirically based policy analysis. DPC also encourages opportunities for staff to be seconded to projects and other agencies to become exposed to new experiences and perspectives. Staff have a collegiate approach to working with other agencies, the Premier's office and Ministerial offices. During 2016–17, staff engagement was 72 per cent, the highest in the public sector.

### Embedding a strong learning culture

The launch of the new learning and development strategy has re-energised the whole professional development program at DPC. An online platform, Horizon, is the central portal for all in-house training which staff can easily access for registrations. This coupled with a focus on resourcing courses which meet the needs of staff across the department has also created efficiencies in their delivery.

All courses are aimed at building our organisational capability and include a huge range of options from refresher courses in excel and project management through to culture workshops. Particular attention is paid to developing courses which are tailored for the specific needs of the organisation such as the customised inductions to help staff transition to DPC from other agencies in response to the machinery of government change. More detail about the entire professional development program and workplace culture initiatives can be found in the next section of the annual report.

### Facilitating the delivery of the Premier's Priorities

Since the establishment of the PIU in September 2015, the Department of Premier and Cabinet has intensively focused on developing the capabilities of its people to support delivery of the Premier's Priorities for the benefit of citizens.

### Focusing on driver work, health and safety

Ministerial drivers' working arrangements were reviewed, with the focus on fatigue management. Standards on drivers' work hours were developed and implemented, consistent with established employment arrangements.

During the year, DPC implemented new work hour standards to address concerns about long work hours by ministerial drivers and potential fatigue. A set of draft work hour standards were trialled during a three-month pilot from August to October 2016. Following the pilot, the standards were adopted by DPC and integrated with drivers' work arrangements. The working hours for drivers are averaged over a four-week period to allow for the fluctuations in Ministers' schedules, particularly when Parliament is sitting and when Ministers undertake regional tours.

### Improving the capabilities of our staff

2016 saw the establishment of an internal engagement team to support the delivery of DPC's Statement of Strategic Intent 2016–2019. This has been achieved by focusing on producing efficiencies through improved services such as the intranet, which saw traffic increase by nearly 300 per cent, developing an all staff eNewsletter with an average open rate of 55 per cent and organising thought-provoking, engaging events for staff. Internal engagement also ran campaigns around initiatives such as International Women's Day, White Ribbon, NAIDOC week, Wear It Purple Day and Harmony Day.



# CORPORATE GOVERNANCE

This section reports on DPC's key corporate services and governance functions including staffing policies and practices.



# POLICIES AND INITIATIVES

## People and Culture

### Learning and development

At DPC we are committed to building a learning culture that fosters high performing teams, strong engagement and a positive work environment. The organisation supports initiatives that challenge norms, foster agility in project implementation and drive change.

DPC launched a new Learning and Development Strategy in January 2017 which integrates the DPC Performance Development Framework.

The strategy is based on a learning approach known as the 70/20/10 model. This model describes how learning and development happens in a complementary manner: 70 per cent is experiential (learning through experience, on the job), 20 per cent is social (learning through others, coaching) and 10 per cent is formal (learning through courses, programs and resources). Applying this approach enables DPC to offer methods which can cater to individual development needs, learning styles and timeframes.

The department also implemented a range of new initiatives to increase DPC's organisational capability including:

- regular programs for team members and managers on the Performance Development Framework and Ongoing Conversations
- cultural workshops—exploring how language, behaviours, symbols and systems shape culture—for senior executives and grade 11/12 employees
- a refreshed face-to-face induction program for all new starters with an address by a senior executive
- a customised induction to transition colleagues from the Department of Industry (DOI) into DPC was developed and delivered in Wagga Wagga, Orange, Coffs Harbour, Sydney, Newcastle and Tamworth
- Aboriginal and Torres Strait Islander Cultural Appreciation workshops to provide managers and team members with an opportunity to reflect on the impact of our cultural backgrounds and experiences and identify practical strategies to improve practice, relationships and collaboration
- a refresher program offered on project management basics for application with DPC tools and templates, with concepts of strategic project leadership, effective and efficient project execution including risk management, reporting, aligning expectations and managing stakeholders

- a Harnessing Your Career program, which aligns with the Performance Development Framework, focussed on how individuals can drive their career, assess capabilities and source personal development options.

The DPC Graduate Program, which targeted entry level graduates at the clerk grade 3/4 level in policy and project roles concluded in February. The program resulted in 72 per cent of graduates being promoted to higher graded roles within the NSW Public Sector. DPC continues to support graduates through the NSW Government Graduate Program led by the Public Service Commission.

The department provided its first structured internship program in partnership with the University of Sydney's Faculty of Arts and Social Sciences. This is a new faculty-wide initiative for final year undergraduate students where students gain study credits by participating in the internship program.

DPC has developed an Executive Coaching Principles guide. The principles aim to provide a consistent approach to senior executive coaching across the department and more importantly, targeted leadership development for executives.

Other courses DPC offered include Combat Bullying, Lunch 'n' Learn programs focusing on management and individual performance, and diversity and culture programs and foundation skills for people leaders (including recruitment, engaging in our vision, delegation, coaching, feedback and finance).

DPC continues to provide a Study Assistance Scheme to support eligible staff to complete postgraduate study.

### White Ribbon accreditation

DPC has committed to being a White Ribbon Accredited Workplace, participating in the movement to end violence against women. The Workplace Accreditation Program recognises workplaces that are taking active steps to prevent and respond to violence against women. As part of the commitment to achieving a safe and respectful workplace, DPC has established a White Ribbon Committee consisting of employees who are passionate and knowledgeable about the White Ribbon message. Committee members will be asked to help 'break the silence' around men's violence against women and organise, participate in and promote White Ribbon events.

## Workforce diversity

DPC is committed to building a positive and diverse workplace that is free of discrimination. The department believes that the composition of our workforce should reflect the diversity of the communities in which we live and work.

Workforce diversity data for 2016–17 indicates that the:

- percentage of females that DPC employs (62.7 per cent) continues to exceed the benchmark of 50 per cent
- percentage of people with disability requiring work related adjustment is 1.3 per cent
- percentage of females in senior executive roles is 53.8 per cent, which exceeds the target for women in leadership roles for the NSW government of 50 per cent
- percentage of people from Aboriginal and Torres Strait Islander backgrounds is 1.7 per cent and people with English as a second language is 10.9 per cent.

DPC demonstrates its commitment to workforce diversity by:

- celebrating major events, such as the National Aboriginal Islander Day Observance Committee (NAIDOC) Week, International Women’s Day (IWD) and International Day of People with a Disability
- flexible work has been a key focus as it enables diversity on many levels, particularly for women – workshops, toolkits, case studies and videos were created to assist employees in flexible work practices and a flexible working competition was run throughout the months from February to April
- formation of a flexible work network that provides support and networking opportunities for staff to share experiences and learnings and the development of a job share register
- promoting the Grace Paper program designed to support parents through pregnancy and return to work
- providing ongoing support to the Young Professionals Network (YPN)
- continuing support for the Indigenous Cadetship Program
- conducting workshops with hiring managers in challenging unconscious bias in recruitment
- recruitment advertising diversity and flexibility statements in our job ads.

## Diversity and Inclusion Council

The DPC/Treasury Diversity and Inclusion Council, established in early 2016, has finalised its Terms of Reference and determined four key objectives for the next year:

- ensuring all leaders value diversity to deliver the best results for government
- increasing the representation and engagement of diverse employee groups
- embedding a sustainable culture of diversity and inclusion across Treasury and DPC
- reviewing NSW Government policies on major infrastructure to ensure best practice accessibility and inclusion.

## Aboriginal employment

DPC is committed to driving public sector diversity in support of the Premier’s Priorities for NSW. The aim is to double the number of Aboriginal and Torres Strait Islander people in senior leadership roles across the sector by 2025.

DPC has employee representatives on the Aboriginal Employment Advisory Committee, a consultative group comprising public sector Aboriginal employees. This group provides an Aboriginal perspective to the Public Service Commission on initiatives within the NSW Public Sector Aboriginal Employment Strategy 2014–17. There has been formation of the Aboriginal and Torres Strait Islander Cluster network who have met to discuss the Premier’s priority and initiatives including the development of a mentoring program.

## NAIDOC Week celebrations

DPC continues to celebrate NAIDOC Week. DPC hosted an event to recognise the history, culture and achievements of Aboriginal and Torres Strait Islander peoples. This year NAIDOC week celebrated the importance, resilience and richness of Aboriginal and Torres Strait Islander languages with guest speakers Diane Riley–McNaboe, Haylene Grogan and Reuben Robinson.

## Jawun secondment program

The Jawun secondment program, in collaboration with NSW Treasury, continued for a second year, partnering with Jawun to provide opportunities for staff to use their skills to support Aboriginal communities. The program enabled eight staff to undertake a six-week secondment to an inner Sydney community or the Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) community of South Australia.



## People with a disability

DPC has an inclusive culture that is supportive of employees with disability and is free from discrimination. DPC is committed to building a talented and responsive workforce that reflects the diversity of the people of NSW.

### Disability Inclusion Action Plan

DPC developed a new Disability Inclusion Action Plan 2015–17 which was developed around four key areas supporting the NSW Disability Inclusion Plan:

- building more liveable and accessible communities
- improving systems and processes to remove barriers and make it easier for people with disability to get information about the services and help they need
- maximising the opportunities for people with disability to gain employment and retain jobs
- identifying ways to build positive attitudes and inclusive behaviours towards people with disability.

### DPC measures to improve accessibility

- Provided an accessible and inclusive environment to employees and visitors.
- Procured goods which specify accessibility and compatibility with assistive technology.
- Continued to analyse recruitment practices to identify unintended barriers that may prevent people with disability from either applying for roles or from being recruited.
- Supported managers and supervisors to effectively manage and support employees with disability.
- Provided workplace adjustments and flexibility to support employees with disability.
- Partnered with other government agencies to promote greater opportunities for participation and inclusion of people with disability in NSW Government supported events.
- Ensured the perspectives of employees with disability are considered by DPC management, the People Committee and other DPC employee representative forums.
- Supported the retention and career development opportunities of employees with disability.

## Multicultural policies and services

DPC supports the principles of multiculturalism which recognise and value the different linguistic, religious, racial and ethnic backgrounds of residents of NSW and promote equal rights and responsibilities for all residents of NSW.

### Principles followed at DPC

1. We are diverse and accepting
2. We have shared values
3. We participate and contribute to NSW
4. We respect diversity in an Australian setting
5. We ensure access to programs and services
6. We consider diversity an asset.

## Young Professionals Network

DPC's Young Professionals Network (YPN) provides opportunities for younger staff (35 years and under) to be proactive about their professional development. The network enables staff to:

- develop cross group connections
- exchange ideas and organisational knowledge
- keep each other informed about initiatives
- support each other in growth and development.

The Young Professionals Network committee continues to implement its road map, which includes four main themes to guide the network's professional leadership development: improve, influence, innovate and integrate.

Highlights from the year include the highly popular and engaging Executive Insights Series, as well as facilitating department social events and activities. DPC YPN also coordinated a department-wide blood drive, providing life-saving support to up to 60 people. This year the YPN will be fostering learning and development through a specialised program of Lunch 'n' Learn seminars. DPC provides centralised thought leadership throughout the NSW public sector by hosting quarterly meetings of the NSW Young Public Service Leaders Network.

## Governance

### Continuous improvement

DPC is committed to good governance. The department complies with all legislative requirements and NSW public sector policies and procedures. This year DPC undertook a self-assessment against the Audit Office Governance Lighthouse to inform its governance priorities. The full report was presented to the Audit and Risk Committee, to provide assurance on DPC's governance framework.

### Corporate policy framework

A Corporate Policy Framework was launched as part of DPC's program to improve its internal controls. DPC is committed to having corporate policies and procedures of the highest quality, which are informative and useful for staff. The framework mandates a process and operational structure for developing, implementing, reviewing and maintaining DPC corporate policies and procedures. DPC updated its staff behavioural policies including its policies on responding to grievances and bullying. New procedures were also developed to outline how breaches of the Code of Conduct should be addressed. The suite of policies and guidelines to address internal controls including fraud and risk were updated including the Fraud and Corruption Control Policy, Purchase Card Policy, Taxi Usage Policy and the Gifts, Benefits and Hospitality Policy.

In addition to the policy refresh, all DPC delegations were reviewed and updated.

### Training initiatives

The corporate policy refresh program was coupled with a large training exercise, including:

- face to face branch talks on ethics  
—400 attendees
- induction ethics talk  
—more than 150 attendees
- Procurement Level 1 accredited course  
—69 attendees
- Public Interest Disclosures  
—36 attendees from DPC and cluster agencies.

An e-learning module for the Code of Conduct was also developed for all staff across the department.

## Customer service

### DPC stakeholder satisfaction

In late 2016 DPC commissioned a major survey of our stakeholders to gain feedback and insights about our interactions with them. There were 525 respondents from across the public and private sector, ministerial offices and the Premier's office.

Survey respondents were very positive and gave the department an overall satisfaction rating of 85 percent, particularly noting our professionalism and capacity to undertake tasks which scored a 96 percent satisfaction rating. The report shows that DPC staff were seen as engaged and collaborative (91 per cent), do what they say they will do (91 per cent), deliver work on time (86 per cent), deliver work to a high standard (88 percent), provide useful advice (85 per cent) and provide accurate advice (89 per cent).

### Consumer response

DPC processed approximately 455 items of Secretary's correspondence and 54,290 items of correspondence for the Premier during the reporting period, this includes both electronic and hardcopy correspondence. The department aims to open all correspondence within one business day of receipt, and respond where required, within 20 working days. For those items that required a substantive response the department met its internal due dates 95 per cent of the time. The department's correspondence policy states that where a response is likely to take longer than 20 working days, people will be advised of when they can expect a reply.

Additionally, DPC facilitated the delivery of more than 3,070 messages of congratulations from the Premier to NSW citizens as they celebrated milestone anniversaries and birthdays.

### External complaints

DPC continued its commitment to handling public feedback and complaints courteously, efficiently, equitably and while respecting the privacy of the person making the complaint. Complaints are handled in accordance with DPC's External Complaint Handling Policy and Procedures. Those policies and procedures were updated this year in line with the NSW Ombudsman's model policy on complaint management.

The nature of DPC's role as a central agency results in few complaints from the public about DPC's staff, services or policies. Improvements to DPC's services as a result of complaints received this year related to communication material and security.

## Workplace health and safety

DPC is committed to ensuring a safe and healthy work environment for all employees, contractors, clients and visitors. This was aided by:

- rolling out a new online e-learning Work, Health & Safety module
- numerous health and wellbeing initiatives including the corporate fitness program, influenza vaccinations, and information sessions on nutrition, weight loss and mental health
- auditing first aid kits and defibrillators in metropolitan and rural office locations
- participating on the Work, Health & Safety Committee
- participating in a Public Sector and Industry Working Group to collaborate and develop a Mentally Healthy Workplace strategy
- initiating work to define and lift work health and safety outcomes in its transport services area.

## DPC claims and reports

### Compensation claims as at 30 June 2017

| Year      | Premiums paid | Claims lodged | Open claims |
|-----------|---------------|---------------|-------------|
| 2009–2010 | \$454,110     | 23            | 5           |
| 2010–2011 | \$487,700     | 17            | 3           |
| 2011–2012 | \$491,930     | 17            | 11          |
| 2012–2013 | \$437,498     | 7             | 14          |
| 2013–2014 | \$506,438     | 10            | 13          |
| 2014–2015 | \$462,565     | 5             | 5           |
| 2015–2016 | \$278,580     | 3             | 5           |
| 2016–2017 | \$308,900     | 11            | 8           |

## Accidents and incidents reported

| Cause type                 | Count     |
|----------------------------|-----------|
| Slip/trip/fall (at work)   | 8         |
| Slip/trip (journey/recess) | 5         |
| Lifting                    | 3         |
| Cuts/burns                 | 1         |
| Driving/car related        | 0         |
| Psychological              | 0         |
| Ergonomic                  | 0         |
| Other *                    | 20        |
| <b>Total</b>               | <b>37</b> |

\*The 'Other' category includes a range of general accidents and incidents that cannot be readily defined by the preceding identified cause types. Examples include: minor near misses; reports by external visitors; and other undefined general incidents or illnesses.

## Industrial relations

The Joint Consultative Committee (JCC) facilitates joint workplace consultation between the DPC and the Public Service Association (PSA). The JCC ensures any matters that arise relating to changes to structures, processes or workplace issues are discussed and resolved efficiently and effectively. The committee also serves as a consultative body for revising and developing policies and staff training.

# FINANCIALS





**Statement by the Secretary of the Department of Premier and Cabinet**

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I state to the best of my knowledge and belief that:

- a) The accompanying financial statements in respect of the year ended 30 June 2017 have been prepared in accordance with section 45E of the *Public Finance and Audit Act 1983*;
- b) The statements exhibit a true and fair view of the financial position of the Department of Premier and Cabinet as at 30 June 2017, and transactions for the year then ended; and
- c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Blair Comley  
Secretary

21 September 2017



## INDEPENDENT AUDITOR'S REPORT

### Department of Premier and Cabinet

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Department of Premier and Cabinet (the Department), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity, 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 Department Head 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

25 September 2017  
SYDNEY

**Financial Statements**

**of**

**Department of Premier and Cabinet**

**(ABN 34 945 244 274)**

**for the year ended 30 June 2017**



## Department of Premier and Cabinet

### Statement of Comprehensive Income for the year ended 30 June 2017

|  | Notes | Actual<br>2017<br>\$000 | Budget<br>2017<br>\$000 | Actual<br>2016<br>\$000 |
|--|-------|-------------------------|-------------------------|-------------------------|
| <b>Expenses excluding losses</b>   |       |                         |                         |                         |
| Operating expenses   |       |                         |                         |                         |
| Employee related expenses  | 2(a)  | 130,449                 | 121,344                 | 122,002                 |
| Other operating expenses   | 2(b)  | 70,482                  | 94,421                  | 71,170                  |
| Depreciation and amortisation expense  | 2(c)  | 8,769                   | 8,962                   | 7,434                   |
| Grants and subsidies   | 2(d)  | 37,845                  | 12,366                  | 37,777                  |
| Finance costs  | 2(e)  | 106                     | 169                     | 130                     |
| <b>Total expenses excluding losses</b>   |       | <b>247,651</b>          | <b>237,262</b>          | <b>238,513</b>          |
| <b>Revenue</b>   |       |                         |                         |                         |
| Appropriation (net of transfer payments)                                       | 3(a)  | 211,652                 | 222,868                 | 228,067                 |
| Sale of goods and services   | 3(b)  | 7,260                   | 2,138                   | 5,032                   |
| Investment revenue   | 3(c)  | ----                    | ----                    | 1                       |
| Grants and contributions   | 3(d)  | 16,966                  | 2,674                   | 8,078                   |
| Acceptance by the Crown Entity of employee benefits and other liabilities      | 3(e)  | 1,517                   | 4,167                   | 3,625                   |
| <b>Total revenue</b>   |       | <b>237,395</b>          | <b>231,847</b>          | <b>244,803</b>          |
| Gain / (loss) on disposal  | 4     | (4)                     | ----                    | (25)                    |
| Other gains / (losses)   | 5     | (235)                   | ----                    | (1,756)                 |
| <b>Net Result</b>  |       | <b>(10,495)</b>         | <b>(5,415)</b>          | <b>4,509</b>            |
| <b>Other comprehensive income</b>  |       |                         |                         |                         |
| <i>Items that will not be reclassified to net result in subsequent periods</i> |       |                         |                         |                         |
| Net increase/(decrease) in property, plant & equipment revaluation surplus     | 10    | 22,270                  | ----                    | 6,335                   |
| <b>Total other comprehensive income</b>  |       | <b>22,270</b>           | <b>----</b>             | <b>6,335</b>            |
| <b>Total comprehensive income</b>  |       | <b>11,775</b>           | <b>(5,415)</b>          | <b>10,844</b>           |

The accompanying notes form part of these financial statements.

## Department of Premier and Cabinet

### Statement of Financial Position as at 30 June 2017

|                                      | Notes | Actual<br>2017<br>\$000 | Budget<br>2017<br>\$000 | Actual<br>2016<br>\$000 |
|--------------------------------------|-------|-------------------------|-------------------------|-------------------------|
| <b>Assets</b>                        |       |                         |                         |                         |
| <b>Current Assets</b>                |       |                         |                         |                         |
| Cash and Cash Equivalents            | 8     | 20,315                  | 4,400                   | 18,909                  |
| Receivables                          | 9     | 14,159                  | 4,070                   | 4,798                   |
| <b>Total Current Assets</b>          |       | <b>34,474</b>           | <b>8,470</b>            | <b>23,707</b>           |
| <b>Non-Current Assets</b>            |       |                         |                         |                         |
| Receivables                          | 9     | ----                    | 58                      | 102                     |
| Property, Plant and Equipment        | 10    |                         |                         |                         |
| - Land and buildings                 |       | 129,996                 | 106,354                 | 105,400                 |
| - Plant and equipment                |       | 6,981                   | 48,867                  | 9,058                   |
| - Leasehold Improvements             |       | 31,873                  | ----                    | 34,255                  |
| - Heritage and Cultural Assets       |       | 7,921                   | ----                    | 7,921                   |
| Intangible Assets                    | 11    | 5,324                   | 5,296                   | 7,286                   |
| <b>Total Non-Current Assets</b>      |       | <b>182,095</b>          | <b>160,575</b>          | <b>164,022</b>          |
| <b>Total assets</b>                  |       | <b>216,569</b>          | <b>169,045</b>          | <b>187,729</b>          |
| <b>Liabilities</b>                   |       |                         |                         |                         |
| <b>Current Liabilities</b>           |       |                         |                         |                         |
| Payables                             | 13    | 27,280                  | 9,708                   | 17,836                  |
| Provisions                           | 14    | 12,627                  | 9,426                   | 12,038                  |
| Other                                | 15    | 13,588                  | 3,191                   | 3,962                   |
| <b>Total Current Liabilities</b>     |       | <b>53,495</b>           | <b>22,325</b>           | <b>33,836</b>           |
| <b>Non-Current Liabilities</b>       |       |                         |                         |                         |
| Provisions                           | 14    | 5,820                   | 5,739                   | 5,310                   |
| Other                                | 15    | 28,463                  | 28,449                  | 30,494                  |
| <b>Total Non-Current Liabilities</b> |       | <b>34,283</b>           | <b>34,188</b>           | <b>35,804</b>           |
| <b>Total Liabilities</b>             |       | <b>87,778</b>           | <b>56,513</b>           | <b>69,640</b>           |
| <b>Net Assets</b>                    |       | <b>128,791</b>          | <b>112,532</b>          | <b>118,089</b>          |
| <b>Equity</b>                        |       |                         |                         |                         |
| Reserves                             | 16    | 28,605                  | 4,722                   | 6,335                   |
| Accumulated Funds                    |       | 100,186                 | 107,810                 | 111,754                 |
| <b>Total Equity</b>                  |       | <b>128,791</b>          | <b>112,532</b>          | <b>118,089</b>          |

The accompanying notes form part of these financial statements.

## Department of Premier and Cabinet

### Statement of Changes in Equity for the year ended 30 June 2017

|   | Notes | Accumulated<br>Funds<br>\$000 | Asset<br>Revaluation<br>Surplus<br>\$000 | Total<br>\$000 |
|---|-------|-------------------------------|--|----------------|
| <b>Balance at 1 July 2016</b>                               |       | 111,754                       | 6,335                                    | 118,089        |
| <b>Net result for the year</b>                              |       | (10,495)                      | ----                                     | (10,495)       |
| <b>Other comprehensive income:</b>                          |       |                               |  |                |
| Net increase/(decrease) in property, plant & equipment      |       | ----                          | 22,270                                   | 22,270         |
| <b>Total other comprehensive income</b>                     |       | ----                          | 22,270                                   | 22,270         |
| <b>Total comprehensive income for the year</b>              |       | (10,495)                      | 22,270                                   | 11,775         |
| <b>Transactions with owners in their capacity as owners</b> |       |                               |  |                |
| Increase/(decrease) in net assets from equity transfers     | 16    | (1,073)                       | ----                                     | (1,073)        |
| <b>Balance at 30 June 2017</b>                              |       | <b>100,186</b>                | <b>28,605</b>                            | <b>128,791</b> |

|   | Notes | Accumulated<br>Funds<br>\$000 | Asset<br>Revaluation<br>Surplus<br>\$000 | Total<br>\$000 |
|---|-------|-------------------------------|--|----------------|
| <b>Balance at 1 July 2015</b>                               |       | 106,920                       | ----                                     | 106,920        |
| <b>Net result for the year</b>                              |       | 4,509                         | ----                                     | 4,509          |
| <b>Other comprehensive income:</b>                          |       |                               |  |                |
| Net increase/(decrease) in property, plant & equipment      |       | ----                          | 6,335                                    | 6,335          |
| <b>Total other comprehensive income</b>                     |       | ----                          | 6,335                                    | 6,335          |
| <b>Total comprehensive income for the year</b>              |       | 4,509                         | 6,335                                    | 10,844         |
| <b>Transactions with owners in their capacity as owners</b> |       |                               |  |                |
| Increase/(decrease) in net assets from equity transfers     | 16    | 325                           | ----                                     | 325            |
| <b>Balance at 30 June 2016</b>                              |       | <b>111,754</b>                | <b>6,335</b>                             | <b>118,089</b> |

The accompanying notes form part of these financial statements.

## Department of Premier and Cabinet

### Statement of Cash Flows for the year ended 30 June 2017

|  |       | Actual<br>2017<br>\$000 | Budget<br>2017<br>\$000 | Actual<br>2016<br>\$000 |
|--|-------|-------------------------|-------------------------|-------------------------|
|  | Notes |                         |                         |                         |
| <b>Cash flows from operating activities</b>  |       |                         |                         |                         |
| <b>Payments</b>  |       |                         |                         |                         |
| Employee related   |       | (131,624)               | (113,496)               | (122,873)               |
| Grants and subsidies   |       | (37,845)                | (12,366)                | (37,776)                |
| Other  |       | (71,573)                | (103,383)               | (67,087)                |
| <b>Total payments</b>  |       | <b>(241,042)</b>        | <b>(229,245)</b>        | <b>(227,736)</b>        |
| <b>Receipts</b>  |       |                         |                         |                         |
| Recurrent allocation   |       | 213,205                 | 215,230                 | 219,447                 |
| Capital allocation (excluding equity appropriation)                                      |       | 4,270                   | 7,638                   | 9,004                   |
| Sale of goods and services   |       | 7,747                   | 2,138                   | 5,678                   |
| Interest received  |       | ----                    | ----                    | 90                      |
| Grants and contributions   |       | 20,380                  | 109                     | 13,685                  |
| Reimbursements from the Crown Entity   |       | 1,891                   | ----                    | 1,616                   |
| Personnel services   |       | 831                     | ----                    | ----                    |
| Other  |       | ----                    | 9,535                   | ----                    |
| <b>Total receipts</b>  |       | <b>248,324</b>          | <b>234,650</b>          | <b>249,520</b>          |
| <b>Net cash flows from operating activities</b>  | 20    | <b>7,282</b>            | <b>5,405</b>            | <b>21,784</b>           |
| <b>Cash flows from investing activities</b>  |       |                         |                         |                         |
| Proceeds from sale of land and buildings, plant and equipment and infrastructure systems |       | ----                    | ----                    | ----                    |
| Purchases of land and buildings, plant and equipment and infrastructure systems          |       | (4,485)                 | (5,123)                 | (4,902)                 |
| Purchases of intangibles   |       | (664)                   | (2,515)                 | (3,718)                 |
| <b>Net cash flow from investing activities</b>   |       | <b>(5,149)</b>          | <b>(7,638)</b>          | <b>(8,620)</b>          |
| Net increase / (decrease) in cash  |       | 2,133                   | (2,233)                 | 13,164                  |
| Opening cash and cash equivalents  |       | 18,909                  | 6,633                   | 5,242                   |
| Cash transferred in/(out) as a result of administrative restructuring                    | 16    | (727)                   | ----                    | 503                     |
| <b>Closing cash and cash equivalents</b>   | 8     | <b>20,315</b>           | <b>4,400</b>            | <b>18,909</b>           |

The accompanying notes form part of these financial statements.

# Department of Premier and Cabinet

## 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 Premier and Cabinet (the Department) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Department is a not for profit entity (as profit is not its principal objective) and it has no cash generating units.

The Department was affected by machinery-of-government changes set out in the Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2017. Under this Order, funding and staff which support regional functions were transferred in from the Department of Industry. Other changes under this order included transferring support for Trade and Industry and Veterans' Affairs to the Department of Industry and Department of Justice, respectively. These changes took effect from 1 April 2017. Refer to Note 16.

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Secretary on 21 September 2017.

#### (b) Basis of preparation

The Department's financial statements are general purpose financial statements which have been prepared on an accrual basis 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.

The Department's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations. The Department held cash on hand and at bank as at 30 June 2017 of \$20,315,000. As at 30 June 2017 the Department had a net working capital deficit of \$19,201,000. This is a consequence of the cash management reforms implemented by the Treasury on 1 July 2015, where agencies funded from the Consolidated Fund are funded on a cash flow needs basis and should only hold unrestricted cash balances to cover their immediate operational requirements. The Department draws down appropriations from the Treasury based on its allocated budget that is sufficient to fund its ongoing operations.

Property, plant and equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention, except as otherwise specified.

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

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

#### (c) Statement of compliance

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

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (d) Insurance

The entity'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)

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

- amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

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 is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

#### (f) 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 recognised as income when the Department obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

Appropriations are not recognised as income in the following circumstance:

- Unspent appropriations are recognised as liabilities rather than income, 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 15 as part of 'Current liabilities - Other'. The amount will be repaid and the liability will be extinguished in the next financial year.

##### (ii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

##### (iii) 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.

##### (iv) Investment revenue

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 1 Summary of Significant Accounting Policies

##### (g) Property, plant and equipment

###### (i) Acquisitions of Property, plant and equipment

Property, plant and equipment are initially measured 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.

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 asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

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

###### (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) Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

###### (iv) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site to the original condition is included in the cost of an asset, to the extent it is recognised as a liability. The liability is carried at present value of future estimated costs discounted using the government bond rate. The unwinding of the discount is recognised as finance costs in the statement of comprehensive income.

###### (v) 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 a component of an asset, in which case the costs are capitalised and depreciated.

###### (vi) Depreciation of property, plant and equipment

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

All material separately identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. The decision not to recognise depreciation for these assets is reviewed annually.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 1 Summary of Significant Accounting Policies

##### (g) Property, plant and equipment

###### (vi) Depreciation of property, plant and equipment

The following depreciation rates have been adopted:

| Category of Assets                                    | 2017               | 2016               |
|---|--------------------|--------------------|
|   | Depreciation Rates | Depreciation Rates |
| <i>Depreciation</i>                                   |                    |                    |
| Buildings   | 2%                 | 2%                 |
| Office furniture and fittings                         | 10%                | 10%                |
| Computer equipment                                    | 25%                | 25%                |
| General plant and equipment                           | 14%                | 14%                |
| <i>Amortisation</i>                                   |                    |                    |
| The following amortisation rates have been adopted:   |                    |                    |
| Leasehold improvements (over the period of the lease) | 8.33% - 25%        | 8.33% - 25%        |

###### (vii) 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 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment*.

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.

Fair value of property, 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. Also refer Note 10 and Note 12 for further information regarding fair value.

Revaluations 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. The entity conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment. The last comprehensive revaluation was completed on March 2016 covering a component of the Government House collection and December 2016 for land & buildings and was based on an independent assessment. Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value.

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.



## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 1 Summary of Significant Accounting Policies

##### (g) Property, plant and equipment

###### (vii) Revaluation of property, plant and equipment

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 revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

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

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

###### (viii) 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.

The Department 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, the Department 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.

##### (h) Leases

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.

The Department has no finance leases.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (i) Intangible Assets

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

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

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

The Department's intangible assets consist of internally developed software and software licences. Software is amortised using the straight line method over a period between 3 and 5 years.

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

#### (j) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

The Department determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

#### (i) Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

- Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. 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 unless the effect of discounting is material.

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (j) Financial Instruments

##### (i) Financial assets

- Foreign currency

The Department had advance accounts for six overseas offices and replenished funds in those accounts every quarter, with the overseas office providing a reconciliation of its expenses in that period. The foreign currency exchange rate on the day of the recoup was used to record transactions and replenish the overseas advance account to its foreign currency limit. Unrecouped expenses at the end of a reporting period were accrued using the foreign currency exchange rate at reporting date. The overseas offices and advance accounts were transferred to the Department of Industry on 1 April 2017 as part of the Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2017.

The overseas advance accounts were translated to Australian dollars, the Department's functional currency at the foreign currency exchange rate at the transfer date. Exchange differences from the translation are included in profit or loss.

- Impairment of financial assets

All financial assets are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, the entity first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

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.

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.

##### (ii) Financial liabilities

Financial liabilities are classified as 'at amortised cost'.

- Financial liabilities at amortised cost (including borrowings and trade payables)

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Payables represent liabilities for goods and services provided to the Department and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables relating to grant payments are recognised when the legal obligation to pay occurs.

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (j) Financial Instruments

##### (ii) Financial liabilities

- 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 measured at fair value, 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 Department 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 at 30 June 2016.

##### (iii) De-recognition of financial assets and financial liabilities

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

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

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

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

#### (k) Employee benefits

##### (i) Salaries and wages, annual leave and sick leave

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 twelve 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 the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Department has assessed the actuarial advice based on the Department's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 1 Summary of Significant Accounting Policies

##### (k) Employee benefits

###### (ii) Long service leave and superannuation

The Department's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Department accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave 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.

###### (iii) 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.

##### (l) Provisions

Provisions are recognised when: the Department has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when the Department has a detailed formal plan and it 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.

If the effect of the time value of money is material, provisions are discounted at 2.60% (1.98% in 2016), which is a pre tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

##### (m) Equity and reserves

###### (i) Revaluation surplus

The asset revaluation reserve is used to record increments and decrements on the revaluation of non current assets. This accords with the Department's policy on the revaluation of property, plant and equipment as discussed in Note 1 (g) (vii).

###### (ii) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (m) Equity and reserves

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

#### (iv) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Australian 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 involving not for profit entities and for profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

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

#### (n) Trust funds

During the year the Department has received monies in a trustee capacity for various trusts and other entities as set out in Note 6 as Transfer Payments. As the Department performs only a custodial role in respect of these monies and because the monies cannot be used for the achievement of the Department's own objectives, these funds are not recognised in the financial statements.

#### (o) Fair value hierarchy

A number of the Department'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, the entity 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).

The Department recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer Note 12 for further disclosures regarding fair value measurements of financial and non financial assets.

#### (p) 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 transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budget amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 19.

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (g) 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.

#### (r) 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 124 *Related Party Disclosures*

The impact of these Standards in the period of initial application has not resulted in a material impact on the 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 Australian Accounting Standards have not been applied and are not yet effective, in accordance with the NSW Treasury mandate (TC 17-04):

- 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 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- 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

The adoption of AASB 16 Leases will see operating leases relating to real estate and motor vehicles disclosed as a right to use asset offset by a lease liability with no material net impact on the statement of financial position. Associated disclosure in the statement of comprehensive income will be in accordance with the requirements of the standard.

The Department of Premier and Cabinet anticipates that the adoption of the other Standards in the period of initial application will have no material impact on the financial statements.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 2 Expenses Excluding Losses

|   | 2017           | 2016           |
|---|----------------|----------------|
|   | \$000          | \$000          |
| <b>(a) Employee related expenses</b>  |                |                |
| Salaries and wages (including annual leave)   | 103,893        | 96,246         |
| Superannuation - defined benefit plans  | 500            | 468            |
| Superannuation - defined contribution plans   | 7,449          | 6,851          |
| Long Service Leave  | 967            | 3,275          |
| Workers' Compensation Insurance   | 110            | 194            |
| Payroll tax and fringe benefits tax   | 8,381          | 7,487          |
| Redundancies  | 3,076          | 186            |
| Agency contractors  | 6,073          | 7,295          |
|   | <b>130,449</b> | <b>122,002</b> |
| Employee related costs that have been capitalised and therefore excluded from the above | ----           | <b>55</b>      |

|  | 2017          | 2016          |
|--|---------------|---------------|
|  | \$000         | \$000         |
| <b>(b) Other operating expenses include the following:</b>                           |               |               |
| Auditor's remuneration - audit of financial statements                               | 234           | 206           |
| Committee fees and expenses  | 680           | 665           |
| Community events   | 3,484         | 3,282         |
| Consultancy costs  | 9,456         | 8,183         |
| Contractor - projects  | 1,415         | 1,819         |
| Corporate services   | 8,118         | 6,981         |
| Cost of sales  | ----          | 641           |
| Fees for services rendered   | 8,922         | 10,304        |
| Information dissemination  | 2,114         | 2,275         |
| Insurance  | 248           | 147           |
| Maintenance expenses*  | 1,839         | 752           |
| Motor vehicle expenses   | 1,094         | 1,244         |
| Operating lease rental expense - minimum lease payments                              | 15,411        | 14,603        |
| Other expenses   | 4,386         | 5,983         |
| Other occupancy costs  | 7,053         | 6,911         |
| Sponsorships and donations   | 530           | 587           |
| Stores and minor assets  | 426           | 518           |
| Telephone and communication costs  | 926           | 1,233         |
| Training (staff development)   | 1,691         | 1,929         |
| Travel costs   | 2,455         | 2,907         |
|  | <b>70,482</b> | <b>71,170</b> |
| <u>Total maintenance costs</u>   |               |               |
| * Maintenance expense - contracted labour and other (non-employee related), as above | <b>1,839</b>  | <b>752</b>    |
| <b>Total maintenance expenses included in Note 2(a) + 2(b)</b>                       | <b>1,839</b>  | <b>752</b>    |



## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 2 Expenses Excluding Losses

|  | 2017         | 2016         |
|--|--------------|--------------|
|  | \$000        | \$000        |
| <b>(c) Depreciation and amortisation expense</b> |              |              |
| <u>Depreciation</u>                              |              |              |
| Buildings and improvements                       | 117          | 150          |
| Plant and equipment                              | 2,492        | 2,259        |
| <u>Amortisation</u>                              |              |              |
| Leasehold improvements                           | 3,796        | 3,567        |
| Intangible assets                                | 2,364        | 1,458        |
|  | <b>8,769</b> | <b>7,434</b> |

|  | 2017          | 2016          |
|--|---------------|---------------|
|  | \$000         | \$000         |
| <b>(d) Grants and subsidies</b>              |               |               |
| Commonwealth Government                      | 2,391         | 2,392         |
| NSW Government                               | 11,309        | 12,760        |
| Local government                             | 360           | 56            |
| Grants to external organisations             | 10,554        | 20,270        |
| Miscellaneous grants approved by the Premier | 1,490         | 1,500         |
| Regional and Rural Miscellaneous Grants Fund | 821           | 799           |
| Regional NSW grants                          | 10,920        | ----          |
|  | <b>37,845</b> | <b>37,777</b> |

|                            | 2017       | 2016       |
|----------------------------|------------|------------|
|                            | \$000      | \$000      |
| <b>(e) Finance costs</b>   |            |            |
| Unwinding of discount rate | 106        | 130        |
|                            | <b>106</b> | <b>130</b> |

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 3 Revenue

##### (a) Appropriations

| Summary of Compliance   | 2017           |                | 2016           |                |
|---|----------------|----------------|----------------|----------------|
|   | \$000          |                | \$000          |                |
|   | Appropriation  | Expenditure    | Appropriation  | Expenditure    |
| Original Budget per Appropriation Act   | 540,473        | 432,025        | 514,991        | 495,312        |
| Other Appropriations / Expenditure  |                |                |                |                |
| - Additional Appropriations   | (52,998)       |                | ----           |                |
| - Section 24 PFAA - transfers of functions between entities   | (83,782)       |                | 964            |                |
| - Treasurer's advance   | ----           |                | 600            |                |
| - Section 33 - Transfers (to) / from another agency   | ----           |                | 1,090          |                |
| - Under expenditure in capital  | ----           |                | (384)          |                |
| - Under expenditure in protected item   | (6,207)        |                | ----           |                |
| <b>Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)</b> | <b>397,486</b> | <b>432,025</b> | <b>517,261</b> | <b>495,312</b> |
| Appropriation drawn down *  |                | <b>403,693</b> |                | <b>488,689</b> |
| Liability to Consolidated Fund (refer Note 15)  |                | <b>(6,207)</b> |                | <b>(384)</b>   |
|   |                | <b>397,486</b> |                | <b>488,305</b> |
| * Comprising:   |                |                |                |                |
| Transfer payments   |                | <b>185,834</b> |                | 260,238        |
| Appropriations (per Statement of comprehensive income)**  |                | <b>211,652</b> |                | 228,067        |
|   |                | <b>397,486</b> |                | <b>488,305</b> |
| ** Appropriations:  |                |                |                |                |
| Recurrent   |                | 206,998        |                | 219,447        |
| Capital   |                | 4,654          |                | 8,620          |
|   |                | <b>211,652</b> |                | <b>228,067</b> |

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 3 Revenue

|                                       | 2017         | 2016         |
|---------------------------------------|--------------|--------------|
|                                       | \$000        | \$000        |
| <b>(b) Sale of goods and services</b> |              |              |
| Services in-kind                      | 539          | 796          |
| Personnel services                    | 831          | ----         |
| Functions & events                    | 251          | 227          |
| Other                                 | 5,182        | 2,786        |
| Advertising                           | 457          | 1,223        |
|                                       | <b>7,260</b> | <b>5,032</b> |

|  | 2017        | 2016     |
|--|-------------|----------|
|  | \$000       | \$000    |
| <b>(c) Investment revenue</b>  |             |          |
| Interest revenue from financial assets not at fair value through profit and loss | ----        | 1        |
|  | <b>----</b> | <b>1</b> |

|                                       | 2017          | 2016         |
|---------------------------------------|---------------|--------------|
|                                       | \$000         | \$000        |
| <b>(d) Grants and contributions</b>   |               |              |
| Commonwealth Government               | ----          | 77           |
| NSW Government                        | 14,381        | 600          |
| Private sector contributions - events | 2,585         | 7,400        |
|                                       | <b>16,966</b> | <b>8,077</b> |

|   | 2017         | 2016         |
|---|--------------|--------------|
|   | \$000        | \$000        |
| <b>(e) Acceptance by the Crown Entity of employee benefits and other liabilities</b>                          |              |              |
| The following liabilities and/or expenses have been assumed by the Crown Entity or other government entities: |              |              |
| Superannuation - defined benefit  | 478          | 468          |
| Long service leave  | 1,015        | 3,134        |
| Payroll tax on superannuation   | 24           | 23           |
|   | <b>1,517</b> | <b>3,625</b> |

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 4 Gain / (loss) on disposal

|   | 2017<br>\$000 | 2016<br>\$000 |
|---|---------------|---------------|
| Proceeds from disposal of property, plant and equipment     | ----          | ----          |
| Written down value of assets disposed                       | (4)           | (25)          |
| <b>Net gain / (loss) on disposal of plant and equipment</b> | <b>(4)</b>    | <b>(25)</b>   |

#### 5 Other gains / (losses)

|  | 2017<br>\$000 | 2016<br>\$000  |
|--|---------------|----------------|
| Reduction in carrying value - Heritage and cultural assets | ----          | (1,469)        |
| Other gains/(losses)                                       | (235)         | (287)          |
|  | <b>(235)</b>  | <b>(1,756)</b> |

#### 6 Transfer Payments

The funding for the following is included in the annual budget allocation for the Department. These funds are transferred to these agencies progressively during the year, in accordance with their projected cash requirements.

|                                 | 2017<br>\$000  | 2016<br>\$000  |
|---------------------------------|----------------|----------------|
| Parliamentary Counsel's Office  | 9,202          | 8,484          |
| Infrastructure NSW              | 13,804         | 10,605         |
| Natural Resources Commission    | 4,148          | 6,195          |
| Office of Sport *               | 44,662         | 87,628         |
| Sydney Olympic Park Authority * | 21,018         | 81             |
| Destination NSW *               | 93,000         | 147,245        |
|                                 | <b>185,834</b> | <b>260,238</b> |

\* The Department's cluster was affected by machinery-of-government changes set out in the Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2017. Under this Order, the Office of Sport, Sydney Olympic Park Authority and Destination NSW were transferred to the Industry cluster.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 7 Service group statements for the year ended 30 June 2017

| Expenses & Income   | Service Group<br>1<br>Policy<br>Support * |                 | Service Group<br>2<br>Protocol and<br>Special Events * |                 | Service Group<br>3<br>Administrative<br>Support for<br>Government * |                  |
|---|---|-----------------|--|-----------------|---|------------------|
|   | 2017                                      | 2016            | 2017   | 2016            | 2017  | 2016             |
|   | \$000                                     | \$000           | \$000  | \$000           | \$000   | \$000            |
| <b>Expenses excluding losses</b>  |   |                 |  |                 |   |                  |
| Operating expenses  |   |                 |  |                 |   |                  |
| Employee related expenses   | 52,452                                    | 41,953          | 10,218   | 10,993          | 67,779  | 69,056           |
| Other operating expenses  | 16,658                                    | 15,312          | 8,949  | 8,646           | 44,875  | 47,212           |
| Depreciation and amortisation   | 12  | 6               | ----   | 150             | 8,757   | 7,278            |
| Grants and subsidies  | 17,998                                    | 2,917           | 8,077  | 21,899          | 11,770  | 12,961           |
| Finance costs   | 1   | ----            | ----   | ----            | 105   | 130              |
| <b>Total expenses excluding losses</b>                                    | <b>87,121</b>                             | <b>60,188</b>   | <b>27,244</b>  | <b>41,688</b>   | <b>133,286</b>  | <b>136,637</b>   |
| <b>Revenue</b>  |   |                 |  |                 |   |                  |
| Appropriations  | ----                                      | ----            | ----   | ----            | ----  | ----             |
| Sale of goods and services  | 3,325                                     | 1,615           | 1,723  | 1,102           | 2,212   | 2,315            |
| Investment revenue  | ----                                      | 1               | ----   | ----            | ----  | ----             |
| Grants and contributions  | 13,379                                    | 680             | 2,584  | 1,993           | 1,003   | 5,405            |
| Acceptance by the Crown Entity of employee benefits and other liabilities | 828                                       | 657             | 260  | 377             | 429   | 2,591            |
| <b>Total revenue</b>  | <b>17,532</b>                             | <b>2,953</b>    | <b>4,567</b>   | <b>3,472</b>    | <b>3,644</b>  | <b>10,311</b>    |
| Gain / (loss) on disposal   | (4)                                       | ----            | ----   | ----            | ----  | (25)             |
| Other gains / (losses)  | (2)                                       | ----            | ----   | (1,469)         | (233)   | (287)            |
| <b>Net result</b>   | <b>(69,595)</b>                           | <b>(57,235)</b> | <b>(22,677)</b>  | <b>(39,685)</b> | <b>(129,875)</b>  | <b>(126,638)</b> |
| <b>Other comprehensive income</b>   |   |                 |  |                 |   |                  |
| Increase/(decrease) in asset revaluation surplus                          | ----                                      | ----            | 22,270   | 6,335           | ----  | ----             |
| <b>Total other comprehensive income</b>                                   | <b>----</b>                               | <b>----</b>     | <b>22,270</b>  | <b>6,335</b>    | <b>----</b>   | <b>----</b>      |
| <b>Total comprehensive income</b>   | <b>(69,595)</b>                           | <b>(57,235)</b> | <b>(407)</b>   | <b>(33,350)</b> | <b>(129,875)</b>  | <b>(126,638)</b> |

\* The names and purposes of each service group are summarised below.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 7 Service group statements for the year ended 30 June 2017

| Expenses & Income   | Not Attributable ** |                | Total           |                |
|---|---------------------|----------------|-----------------|----------------|
|   | 2017                | 2016           | 2017            | 2016           |
|   | \$000               | \$000          | \$000           | \$000          |
| <b>Expenses excluding losses</b>  |                     |                |                 |                |
| Operating expenses  |                     |                |                 |                |
| Employee related expenses   | ----                | ----           | 130,449         | 122,002        |
| Other operating expenses  | ----                | ----           | 70,482          | 71,170         |
| Depreciation and amortisation   | ----                | ----           | 8,769           | 7,434          |
| Grants and subsidies  | ----                | ----           | 37,845          | 37,777         |
| Finance costs   | ----                | ----           | 106             | 130            |
| <b>Total expenses excluding losses</b>                                    | ----                | ----           | <b>247,651</b>  | <b>238,513</b> |
| <b>Revenue</b>  |                     |                |                 |                |
| Recurrent appropriations  | 211,652             | 228,067        | 211,652         | 228,067        |
| Sale of goods and services  | ----                | ----           | 7,260           | 5,032          |
| Investment revenue  | ----                | ----           | ----            | 1              |
| Grants and contributions  | ----                | ----           | 16,966          | 8,078          |
| Acceptance by the Crown Entity of employee benefits and other liabilities | ----                | ----           | 1,517           | 3,625          |
| <b>Total revenue</b>  | <b>211,652</b>      | <b>228,067</b> | <b>237,395</b>  | <b>244,803</b> |
| Gain / (loss) on disposal   | ----                | ----           | (4)             | (25)           |
| Other gains / (losses)  | ----                | ----           | (235)           | (1,756)        |
| <b>Net result</b>   | <b>211,652</b>      | <b>228,067</b> | <b>(10,495)</b> | <b>4,509</b>   |
| <b>Other comprehensive income</b>   |                     |                |                 |                |
| Increase/(decrease) in asset revaluation surplus                          | ----                | ----           | 22,270          | 6,335          |
| <b>Total other comprehensive income</b>                                   | ----                | 0              | 22,270          | 6,335          |
| <b>Total comprehensive income</b>   | <b>211,652</b>      | <b>228,067</b> | <b>11,775</b>   | <b>10,844</b>  |

\* The names and purposes of each service group are summarised below.

\*\* Appropriations are made on an entity basis, not to individual service groups. Consequently, appropriations are included in "Not Attributable" column.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 7 Service group statements for the year ended 30 June 2017

| Assets & Liabilities                 | Service Group<br>1<br>Policy<br>Support * |                | Service Group<br>2<br>Protocol and<br>Special Events * |                | Service Group<br>3<br>Administrative<br>Support for<br>Government * |                |
|--------------------------------------|---|----------------|--|----------------|---|----------------|
|                                      | 2017                                      | 2016           | 2017   | 2016           | 2017  | 2016           |
|                                      | \$000                                     | \$000          | \$000  | \$000          | \$000   | \$000          |
| <b>ASSETS</b>                        |   |                |  |                |   |                |
| <b>Current Assets</b>                |   |                |  |                |   |                |
| Cash and cash equivalents            | ----                                      | 654            | ----   | ----           | ----  | ----           |
| Receivables                          | 228                                       | 739            | 186  | 501            | 13,745  | 3,558          |
| <b>Total current assets</b>          | <b>228</b>                                | <b>1,393</b>   | <b>186</b>   | <b>501</b>     | <b>13,745</b>   | <b>3,558</b>   |
| <b>Non-current assets</b>            |   |                |  |                |   |                |
| Receivables                          | ----                                      | 102            | ----   | ----           | ----  | ----           |
| Land & buildings                     | ----                                      | ----           | 129,996  | 105,400        | ----  | ----           |
| Property, plant and equipment        | 116                                       | 196            | 1,536  | 1,548          | 5,329   | 7,314          |
| Leasehold Improvements               | 3   | 19             | ----   | ----           | 31,870  | 34,236         |
| Heritage and Cultural Assets         | ----                                      | ----           | 7,921  | 7,921          | ----  | ----           |
| Intangible assets                    | 254                                       | 836            | ----   | ----           | 5,070   | 6,450          |
| <b>Total non-current assets</b>      | <b>373</b>                                | <b>1,153</b>   | <b>139,453</b>   | <b>114,869</b> | <b>42,269</b>   | <b>48,000</b>  |
| <b>Total assets</b>                  | <b>601</b>                                | <b>2,546</b>   | <b>139,639</b>   | <b>115,370</b> | <b>56,014</b>   | <b>51,558</b>  |
| <b>LIABILITIES</b>                   |   |                |  |                |   |                |
| <b>Current liabilities</b>           |   |                |  |                |   |                |
| Payables                             | 16,721                                    | 5,283          | 1,721  | 1,927          | 8,838   | 10,626         |
| Provisions                           | 5,427                                     | 4,099          | 867  | 1,093          | 6,333   | 6,846          |
| Other                                | 3,725                                     | 154            | 591  | 360            | 3,065   | 3,064          |
| <b>Total current liabilities</b>     | <b>25,873</b>                             | <b>9,536</b>   | <b>3,179</b>   | <b>3,380</b>   | <b>18,236</b>   | <b>20,536</b>  |
| <b>Non-current liabilities</b>       |   |                |  |                |   |                |
| Provisions                           | 140                                       | 63             | 14   | 15             | 5,666   | 5,232          |
| Other                                | ----                                      | ----           | ----   | ----           | 28,463  | 30,494         |
| <b>Total non-current liabilities</b> | <b>140</b>                                | <b>63</b>      | <b>14</b>  | <b>15</b>      | <b>34,129</b>   | <b>35,726</b>  |
| <b>Total liabilities</b>             | <b>26,013</b>                             | <b>9,599</b>   | <b>3,193</b>   | <b>3,395</b>   | <b>52,365</b>   | <b>56,262</b>  |
| <b>Net assets</b>                    | <b>(25,412)</b>                           | <b>(7,053)</b> | <b>136,446</b>   | <b>111,975</b> | <b>3,649</b>  | <b>(4,704)</b> |

\* The names and purposes of each service group are summarised below.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 7 Service group statements for the year ended 30 June 2017

| Assets & Liabilities                 | Not Attributable ** |               | Total          |                |
|--------------------------------------|---------------------|---------------|----------------|----------------|
|                                      | 2017                | 2016          | 2017           | 2016           |
|                                      | \$000               | \$000         | \$000          | \$000          |
| <b>ASSETS</b>                        |                     |               |                |                |
| <b>Current Assets</b>                |                     |               |                |                |
| Cash and cash equivalents            | 20,315              | 18,255        | 20,315         | 18,909         |
| Receivables                          | ----                | ----          | 14,159         | 4,798          |
| <b>Total current assets</b>          | <b>20,315</b>       | <b>18,255</b> | <b>34,474</b>  | <b>23,707</b>  |
| <b>Non-current assets</b>            |                     |               |                |                |
| Receivables                          | ----                | ----          | ----           | 102            |
| Land & buildings                     | ----                | ----          | 129,996        | 105,400        |
| Property, plant and equipment        | ----                | ----          | 6,981          | 9,058          |
| Leasehold Improvements               | ----                | ----          | 31,873         | 34,255         |
| Heritage and Cultural Assets         | ----                | ----          | 7,921          | 7,921          |
| Intangible assets                    | ----                | ----          | 5,324          | 7,286          |
| <b>Total non-current assets</b>      | <b>----</b>         | <b>----</b>   | <b>182,095</b> | <b>164,022</b> |
| <b>Total assets</b>                  | <b>20,315</b>       | <b>18,255</b> | <b>216,569</b> | <b>187,729</b> |
| <b>LIABILITIES</b>                   |                     |               |                |                |
| <b>Current liabilities</b>           |                     |               |                |                |
| Payables                             | ----                | ----          | 27,280         | 17,836         |
| Provisions                           | ----                | ----          | 12,627         | 12,038         |
| Other                                | 6,207               | 384           | 13,588         | 3,962          |
| <b>Total current liabilities</b>     | <b>6,207</b>        | <b>384</b>    | <b>53,495</b>  | <b>33,836</b>  |
| <b>Non-current liabilities</b>       |                     |               |                |                |
| Provisions                           | ----                | ----          | 5,820          | 5,310          |
| Other                                | ----                | ----          | 28,463         | 30,494         |
| <b>Total non-current liabilities</b> | <b>----</b>         | <b>----</b>   | <b>34,283</b>  | <b>35,804</b>  |
| <b>Total liabilities</b>             | <b>6,207</b>        | <b>384</b>    | <b>87,778</b>  | <b>69,640</b>  |
| <b>Net assets</b>                    | <b>14,108</b>       | <b>17,871</b> | <b>128,791</b> | <b>118,089</b> |

\* The names and purposes of each service group are summarised below.

\*\* Appropriations are made on an entity basis, not to individual service groups. Consequently, cash and appropriation liabilities are included in "Not Attributable" column.



# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### Service Groups Descriptions

#### a) Service Group 1: Policy Support

Purpose:

This service group covers the provision of integrated sector-wide policy advice, counsel and legislative support services. It comprises the following areas: Economic Policy, Social Policy, Strategic Communications, Regional Coordination and Office of General Counsel.

#### b) Service Group 2: Protocol and Special Events

Purpose:

This service group provides management and coordination services for the Premier and NSW Government in protocol and ceremonial matters, special events, honours and awards and community programs. It also provides administrative support to former Office Holders and supports the Governor in constitutional, ceremonial and community roles and houses the Office of Veterans' Affairs.

#### c) Service Group 3: Administrative Support for Government

Purpose:

This service group covers a range of administrative and coordination functions to support the Premier and Ministry, and the operations of the department. It includes human resources, governance, ICT and finance functions.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Service Group additional disclosure

The Regional NSW Group was transferred from the Department of Industry to the Department of Premier and Cabinet as a consequence of a restructuring of administrative arrangements with effect from 1 April 2017. The following summarises the expenses and income, recognised by the Department of Industry (up to 1 April 2017) and the Department of Premier and Cabinet (from 1 April 2017 to 30 June 2017) for the reporting period. Refer to Note 16 for details regarding transferred assets and liabilities.

|  | Department<br>of Industry                              | Department<br>of Premier<br>and Cabinet                | 2017                     | 2016                     |
|--|--|--|--------------------------|--------------------------|
|  | Regional<br>NSW<br>1 July 2016 to<br>31 March<br>\$000 | Regional<br>NSW<br>1 April 2017<br>to 30 June<br>\$000 | Regional<br>NSW<br>\$000 | Regional<br>NSW<br>\$000 |
| <b>Expenses excluding losses</b>   |  |  |                          |                          |
| Employee related expenses  | 7,355  | 3,231  | 10,586                   | 8,816                    |
| Operating expenses   | 1,264  | 5,344  | 6,608                    | 2,502                    |
| Depreciation and amortisation  | 39   | 1  | 40                       | 84                       |
| Grants and subsidies   | 10,382   | 11,589   | 21,971                   | 1,627                    |
| <b>Total expenses excluding losses</b>                                     | <b>19,040</b>  | <b>20,165</b>  | <b>39,205</b>            | <b>13,029</b>            |
| <b>Revenue</b>   |  |  |                          |                          |
| Sale of goods and services   | 1  | 4  | 5                        | 128                      |
| Grants and contributions   | ----   | 5,800  | 5,800                    | ----                     |
| Acceptance by the Crown Entity of employee benefits and other liabilities  | 243  | 98   | 341                      | 477                      |
| <b>Total revenue</b>   | <b>244</b>   | <b>5,902</b>   | <b>6,146</b>             | <b>605</b>               |
| Gain / (loss) on disposal  | ----   | ----   | ----                     | ----                     |
| Other gains / (losses)   | ----   | ----   | ----                     | (7)                      |
| <b>Net Result</b>  | <b>(18,796)</b>  | <b>(14,263)</b>  | <b>(33,059)</b>          | <b>(12,431)</b>          |
| <b>Other comprehensive income</b>  |  |  |                          |                          |
| Net increase/(decrease) in property, plant & equipment revaluation surplus | ----   | ----   | ----                     | ----                     |
| <b>Total other comprehensive income</b>                                    |  |  |                          |                          |
| <b>Total comprehensive income</b>  | <b>(18,796)</b>  | <b>(14,263)</b>  | <b>(33,059)</b>          | <b>(12,431)</b>          |

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 8 Current Assets - Cash and Cash Equivalents

|                          | 2017<br>\$000 | 2016<br>\$000 |
|--------------------------|---------------|---------------|
| Cash at bank and on hand | 20,315        | 18,909        |
|                          | <b>20,315</b> | <b>18,909</b> |

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

Cash and cash equivalents 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<br>\$000 | 2016<br>\$000 |
|--|---------------|---------------|
| Cash and cash equivalents (per statement of financial position)        | 20,315        | 18,909        |
| <b>Closing cash and cash equivalents (per statement of cash flows)</b> | <b>20,315</b> | <b>18,909</b> |

Refer Note 21 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

#### 9 Current / Non-Current Assets - Receivables

|   | 2017<br>\$000 | 2016<br>\$000 |
|---|---------------|---------------|
| <b>Current Receivables</b>                                      |               |               |
| Sale of goods and services                                      | 7,963         | 1,984         |
| less: Allowance for impairment                                  | ----          | ----          |
| Goods and services tax recoverable from ATO                     | 2,488         | 2,622         |
| Prepayments   | 1,216         | 72            |
| Accrued income  | 1,075         | 107           |
| Other receivables   | 1,417         | 13            |
|   | <b>14,159</b> | <b>4,798</b>  |
| <b>Non-Current Receivables</b>                                  |               |               |
| Security deposit  | ----          | 102           |
|   | ----          | <b>102</b>    |
| <b>Total Receivables</b>  | <b>14,159</b> | <b>4,900</b>  |
| <b>Movement in the allowance for impairment</b>                 |               |               |
| Balance at 1 July   | ----          | ----          |
| Amounts written off during the year                             | ----          | ----          |
| Amounts recovered during the year                               | ----          | (2)           |
| Amount transferred out due to administrative restructure        | ----          | ----          |
| Increase / (decrease) in allowance recognised in profit or loss | ----          | 2             |
| <b>Balance at 30 June</b>                                       | <b>----</b>   | <b>----</b>   |

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 21.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 10 Non-Current Assets - Property, Plant and Equipment

|   | Land and Buildings | Plant and Equipment | Leasehold Improvements | Heritage and Cultural Assets | Total          |
|---|--------------------|---------------------|------------------------|------------------------------|----------------|
|   | \$000              | \$000               | \$000                  | \$000                        | \$000          |
| <b>At 1 July 2016 - fair value</b>      |                    |                     |                        |                              |                |
| Gross carrying amount                   | 107,996            | 12,794              | 40,851                 | 7,921                        | 169,562        |
| Accumulated depreciation and impairment | (2,596)            | (3,736)             | (6,596)                | ----                         | (12,928)       |
| <b>Net carrying amount</b>              | <b>105,400</b>     | <b>9,058</b>        | <b>34,255</b>          | <b>7,921</b>                 | <b>156,634</b> |
| <b>At 30 June 2017 - fair value</b>     |                    |                     |                        |                              |                |
| Gross carrying amount                   | 132,196            | 13,207              | 42,218                 | 7,921                        | 195,542        |
| Accumulated depreciation and impairment | (2,200)            | (6,226)             | (10,345)               | ----                         | (18,771)       |
| <b>Net carrying amount</b>              | <b>129,996</b>     | <b>6,981</b>        | <b>31,873</b>          | <b>7,921</b>                 | <b>176,771</b> |

#### Reconciliation

A reconciliation of the carrying amount of each class of property, plant & equipment at the beginning & end of the reporting period is set out below.

|  | Land and Buildings | Plant and Equipment | Leasehold Improvements | Heritage and Cultural Assets | Total          |
|--|--------------------|---------------------|------------------------|------------------------------|----------------|
|  | \$000              | \$000               | \$000                  | \$000                        | \$000          |
| <b>Period ended 30 June 2017</b>   |                    |                     |                        |                              |                |
| Net carrying amount at start of year   | 105,400            | 9,058               | 34,255                 | 7,921                        | 156,634        |
| Additions  | 2,443              | 406                 | 1,636                  | ----                         | 4,485          |
| Disposals  | ----               | ----                | (4)                    | ----                         | (4)            |
| Administrative restructures - transfers in/(out)                             | ----               | 9                   | (218)                  | ----                         | (209)          |
| Net revaluation increment less revaluation decrements recognised in reserves | 22,270             | ----                | ----                   | ----                         | 22,270         |
| Reduction in carrying value (recognised in 'other gains/losses')             | ----               | ----                | ----                   | ----                         | ----           |
| Depreciation expense   | (117)              | (2,492)             | (3,796)                | ----                         | (6,405)        |
| <b>Net carrying amount at end of year</b>                                    | <b>129,996</b>     | <b>6,981</b>        | <b>31,873</b>          | <b>7,921</b>                 | <b>176,771</b> |

|   | Land and Buildings | Plant and Equipment | Leasehold Improvements | Heritage and Cultural Assets | Total          |
|---|--------------------|---------------------|------------------------|------------------------------|----------------|
|   | \$000              | \$000               | \$000                  | \$000                        | \$000          |
| <b>At 1 July 2015 - fair value</b>      |                    |                     |                        |                              |                |
| Gross carrying amount                   | 100,737            | 13,051              | 43,233                 | 9,183                        | 166,204        |
| Accumulated depreciation and impairment | (2,446)            | (3,063)             | (7,860)                | ----                         | (13,369)       |
| <b>Net carrying amount</b>              | <b>98,291</b>      | <b>9,988</b>        | <b>35,373</b>          | <b>9,183</b>                 | <b>152,835</b> |
| <b>At 30 June 2016 - fair value</b>     |                    |                     |                        |                              |                |
| Gross carrying amount                   | 107,996            | 12,794              | 40,851                 | 7,921                        | 169,562        |
| Accumulated depreciation and impairment | (2,596)            | (3,736)             | (6,596)                | ----                         | (12,928)       |
| <b>Net carrying amount</b>              | <b>105,400</b>     | <b>9,058</b>        | <b>34,255</b>          | <b>7,921</b>                 | <b>156,634</b> |

#### Reconciliation

A reconciliation of the carrying amount of each class of property, plant & equipment at the beginning & end of the reporting period is set out below.

|  | Land and Buildings | Plant and Equipment | Leasehold Improvements | Heritage and Cultural Assets | Total          |
|--|--------------------|---------------------|------------------------|------------------------------|----------------|
|  | \$000              | \$000               | \$000                  | \$000                        | \$000          |
| <b>Year ended 30 June 2016</b>   |                    |                     |                        |                              |                |
| Net carrying amount at start of year   | 98,291             | 9,988               | 35,373                 | 9,183                        | 152,835        |
| Additions  | 1,131              | 1,293               | 2,478                  | ----                         | 4,902          |
| Disposals  | ----               | (5)                 | (20)                   | ----                         | (25)           |
| Administrative restructures - transfers in/(out)                             | ----               | ----                | 32                     | ----                         | 32             |
| Net revaluation increment less revaluation decrements recognised in reserves | 6,128              | ----                | ----                   | 207                          | 6,335          |
| Reduction in carrying value (recognised in 'other gains/losses')             | ----               | ----                | ----                   | (1,469)                      | (1,469)        |
| Depreciation expense   | (150)              | (2,259)             | (3,567)                | ----                         | (5,976)        |
| Reclassifications  | ----               | 41                  | (41)                   | ----                         | ----           |
| <b>Net carrying amount at end of year</b>                                    | <b>105,400</b>     | <b>9,058</b>        | <b>34,255</b>          | <b>7,921</b>                 | <b>156,634</b> |

Further details regarding the fair value measurements of property, plant and equipment are disclosed in Note 12. The Department also continues to derive service potential and economic benefit from some fully depreciated assets that have not been revalued this financial year. The impact of valuation is likely to be minimal as most fully depreciated assets are likely to be in poor condition and therefore may or may not have zero value.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 11 Intangible Assets

|  | Software at<br>cost<br>\$000 | Total<br>\$000 |
|--|------------------------------|----------------|
| <b>At 1 July 2016 - fair value</b>                           |                              |                |
| Gross carrying amount  | 9,846                        | 9,846          |
| Accumulated amortisation and impairment                      | (2,560)                      | (2,560)        |
| <b>Net carrying amount</b>                                   | <b>7,286</b>                 | <b>7,286</b>   |
| <b>At 30 June 2017 - fair value</b>                          |                              |                |
| Gross carrying amount  | 10,224                       | 10,224         |
| Accumulated amortisation and impairment                      | (4,900)                      | (4,900)        |
| <b>Net carrying amount</b>                                   | <b>5,324</b>                 | <b>5,324</b>   |
| <b>Year ended 30 June 2017</b>                               |                              |                |
| Net carrying amount at start of year                         | 7,286                        | 7,286          |
| Additions  | 664                          | 664            |
| Disposals  | ----                         | ----           |
| Transfers out through administrative restructures            | (262)                        | (262)          |
| Amortisation (recognised in "depreciation and amortisation") | (2,364)                      | (2,364)        |
| Reclassification   | ----                         | ----           |
| <b>Net carrying amount at end of year</b>                    | <b>5,324</b>                 | <b>5,324</b>   |

|  | Software at<br>cost<br>\$000 | Total<br>\$000 |
|--|------------------------------|----------------|
| <b>At 1 July 2015 - fair value</b>                           |                              |                |
| Gross carrying amount  | 9,922                        | 9,922          |
| Accumulated amortisation and impairment                      | (5,104)                      | (5,104)        |
| <b>Net carrying amount</b>                                   | <b>4,818</b>                 | <b>4,818</b>   |
| <b>At 30 June 2016 - fair value</b>                          |                              |                |
| Gross carrying amount  | 9,846                        | 9,846          |
| Accumulated amortisation and impairment                      | (2,560)                      | (2,560)        |
| <b>Net carrying amount</b>                                   | <b>7,286</b>                 | <b>7,286</b>   |
| <b>Year ended 30 June 2016</b>                               |                              |                |
| Net carrying amount at start of year                         | 4,818                        | 4,818          |
| Additions  | 3,718                        | 3,718          |
| Disposals  | ----                         | ----           |
| Transfers out through administrative restructure             | 208                          | 208            |
| Amortisation (recognised in "depreciation and amortisation") | (1,458)                      | (1,458)        |
| Reclassification   | ----                         | ----           |
| <b>Net carrying amount at end of year</b>                    | <b>7,286</b>                 | <b>7,286</b>   |

The Department also continues to derive service potential and economic benefit from some fully amortised assets that have not been revalued this financial year. The impact of valuation is likely to be minimal as most fully depreciated assets are likely to be obsolete and therefore may or may not have zero value.

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 12 Fair value measurement of non-financial assets

#### (a) Fair value hierarchy

The following tables provide an analysis of assets that are measured at fair value:

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset that are not based on observable market data (unobservable inputs).

|                                      | Notes | Level 1 | Level 2      | Level 3        | Total fair Value |
|--------------------------------------|-------|---------|--------------|----------------|------------------|
| 2017                                 |       | \$000   | \$000        | \$000          | \$000            |
| <b>Property, plant and equipment</b> |       |         |              |                |                  |
| Land and buildings                   | 10    | ----    | ----         | 129,996        | <b>129,996</b>   |
| Heritage and cultural assets         | 10    | ----    | 7,921        | ----           | <b>7,921</b>     |
|                                      |       | ----    | <b>7,921</b> | <b>129,996</b> | <b>137,917</b>   |

|                                      | Notes | Level 1 | Level 2      | Level 3        | Total fair Value |
|--------------------------------------|-------|---------|--------------|----------------|------------------|
| 2016                                 |       | \$000   | \$000        | \$000          | \$000            |
| <b>Property, plant and equipment</b> |       |         |              |                |                  |
| Land and buildings                   | 10    | ----    | ----         | 105,400        | <b>105,400</b>   |
| Heritage and cultural assets         | 10    | ----    | 7,921        | ----           | <b>7,921</b>     |
|                                      |       | ----    | <b>7,921</b> | <b>105,400</b> | <b>113,321</b>   |

There were no transfers between the Levels during either period.

#### (b) Valuation techniques, inputs and processes

##### Land and Buildings

The Land and Buildings balance reflects the fair value of the land and buildings comprising the Government House Sydney Crown Reserve. The land and buildings were revalued in December 2016 by an independent valuer, Charter Keck Cramer. This resulted in an increase in the land value by \$11,175,000 and an increase in the buildings value by \$10,581,757.

The land and buildings were valued at fair value consistent with the NSW Treasury Accounting Policy *TPP14-1 Accounting Policy: Valuation of Non Current* and *Australian Accounting Standard AASB 116*. Fair value is measured having regard to the highest and best use of an asset. However where the asset has no feasible alternate use in the near future, the asset is valued to its existing use. Where current market buying prices cannot be observed, an assets fair value is best measured by its depreciated replacement cost. However when current market buying price can be observed the property would be valued having regard to the direct comparison method of valuation having reference to current market transactions of comparable properties in the surrounding locality.

The unique nature of Government House land and buildings makes the Level 3 classification appropriate as the valuation is not based on observable market data. This is consistent with prior year disclosures. The independent valuer made comparisons to other properties but with adjustments to reflect the assets specific characteristics.

##### Heritage and Cultural assets

The Government House Collection assets transferred to the control of the Department, when Government House moved from the Historical House Trust (HHT) on 20 December 2013. The assets have been valued by external and HHT internal experts to reflect the fair value. The collection assets have been reviewed for external revaluation at least every five years as part of a rolling revaluation schedule across HHT.

The Government House Collection assets were last revalued in March 2016 by an independent valuer, Shapiro Auctioneers and Gallery.

The independent valuer used indicative market rates as the basis for the values provided. The Heritage and Cultural assets are valued by reference to trading of assets of a similar nature, such as artwork of the same artist.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 12 Fair value measurement of non-financial assets

##### (c) Reconciliation of recurring level 3 fair value measurements

|                              | Notes | Land and buildings (Government House)<br>\$000 | Total Recurring level 3 Fair value<br>\$000 |
|------------------------------|-------|--|---|
| <b>2017</b>                  |       |  |   |
| Fair value as at 1 July 2016 | 10    | 105,400  | 105,400                                     |
| Additions                    | 10    | 2,443  | 2,443                                       |
| Revaluation                  | 10    | 22,270   | 22,270                                      |
| Depreciation                 | 10    | (117)  | (117)                                       |
|                              |       | <b>129,996</b>                                 | <b>129,996</b>                              |

|                              | Notes | Land and buildings (Government House)<br>\$000 | Total Recurring level 3 Fair value<br>\$000 |
|------------------------------|-------|--|---|
| <b>2016</b>                  |       |  |   |
| Fair value as at 1 July 2015 | 10    | 98,291   | 98,291                                      |
| Additions                    | 10    | 1,131  | 1,131                                       |
| Revaluation                  | 10    | 6,128  | 6,128                                       |
| Depreciation                 | 10    | (150)  | (150)                                       |
|                              |       | <b>105,400</b>                                 | <b>105,400</b>                              |

#### 13 Current Liability - Payables

|                                      | 2017<br>\$000 | 2016<br>\$000 |
|--------------------------------------|---------------|---------------|
| Accrued salaries, wages and on-costs | 1,326         | 1,201         |
| Creditors                            | 25,954        | 16,635        |
| Unearned revenue                     | -----         | -----         |
| Redundancies                         | -----         | -----         |
|                                      | <b>27,280</b> | <b>17,836</b> |

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed at Note 21.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 14 Current / Non-Current Liabilities - Provisions

|   | 2017<br>\$000 | 2016<br>\$000 |
|---|---------------|---------------|
| <b>Current Provisions</b>   |               |               |
| Annual leave including on-costs                                     | 9,834         | 9,406         |
| Long service leave on-costs   | 1,236         | 1,158         |
| Payroll tax   | 1,237         | 1,159         |
| <b>Current employee benefits and related on-cost provisions</b>     | <b>12,307</b> | <b>11,723</b> |
| Restoration costs   | 320           | 315           |
| <b>Total Current Provisions</b>                                     | <b>12,627</b> | <b>12,038</b> |
| <b>Non-Current Provisions</b>                                       |               |               |
| Long service leave on-costs   | 108           | 101           |
| Payroll tax   | 65            | 61            |
| <b>Non-Current employee benefits and related on-cost provisions</b> | <b>173</b>    | <b>162</b>    |
| Restoration costs   | 5,647         | 5,148         |
| <b>Total Non-Current Provisions</b>                                 | <b>5,820</b>  | <b>5,310</b>  |
| Employee benefits and related on-costs                              | 12,480        | 11,885        |
| Restoration costs   | 5,967         | 5,463         |
| <b>Total Provisions</b>   | <b>18,447</b> | <b>17,348</b> |

|   | 2017<br>\$000 | 2016<br>\$000 |
|---|---------------|---------------|
| <b>Aggregate employee benefits and related on-costs</b> |               |               |
| Provisions - current                                    | 12,307        | 11,723        |
| Provisions - non-current                                | 173           | 162           |
| Accrued salaries, wages and on-costs (Note 13).         | 1,326         | 1,201         |
|   | <b>13,806</b> | <b>13,086</b> |

The Department's liability for long service leave is assumed by the Crown Entity. However the Department has an obligation to meet the long service related on-cost.

Based on statistics showing 20% of employee with greater than 30 days annual leave at June 2017, it is estimated that \$656k of accrued annual leave with associated on-costs would be settled after 12 months.

#### Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits are set out below:

|   | 2017<br>\$000 | 2016<br>\$000 |
|---|---------------|---------------|
| <b>Provision for Restoration Costs</b>                      |               |               |
| <b>Carrying amount at the beginning of financial year</b>   | <b>5,463</b>  | <b>4,806</b>  |
| Unwinding /change in discount rate                          | 338           | 419           |
| Net amount transferred in due to administrative restructure | 42            | 56            |
| Unused amount reversed                                      | ----          | ----          |
| Additional provisions recognised                            | 182           | 207           |
| Amounts used  | (58)          | (25)          |
| <b>Carrying amount at the end of financial year</b>         | <b>5,967</b>  | <b>5,463</b>  |

Restoration costs relate to office accommodation leases with the major lease due to expire in 2025.

#### 15 Current / Non-Current Liabilities - Other

|                                 | 2017<br>\$000 | 2016<br>\$000 |
|---------------------------------|---------------|---------------|
| <b>Other - current</b>          |               |               |
| Liability to consolidated fund  | 6,207         | 384           |
| Unamortised leasehold incentive | 3,053         | 3,053         |
| Unearned revenue                | 4,304         | 502           |
| Other liabilities               | 24            | 23            |
|                                 | <b>13,588</b> | <b>3,962</b>  |
| <b>Other - non-current</b>      |               |               |
| Unamortised leasehold incentive | 28,463        | 30,494        |
|                                 | <b>28,463</b> | <b>30,494</b> |



## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 16 Increase / Decrease in Net Assets from Equity Transfers

##### Transfers - as at 1 April 2017

|  | 2017         |
|--|--------------|
|  | \$000        |
| <b>Transfer out arising from Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2017</b> |              |
| International Branch (to Department of Industry)   |              |
| <b>Assets</b>  |              |
| <b>Current assets</b>  |              |
| Cash and cash equivalents  | 626          |
| Receivables  | 236          |
| <b>Total current assets</b>  | <b>862</b>   |
| <b>Non-Current assets</b>  |              |
| Receivables  | 124          |
| Property, plant and equipment  | 221          |
| Intangible assets  | 262          |
| <b>Total non-current assets</b>  | <b>607</b>   |
| <b>Total assets</b>  | <b>1,469</b> |
| <b>Liabilities</b>   |              |
| <b>Current liabilities</b>   |              |
| Payables   | 422          |
| Provisions   | 614          |
| <b>Total current liabilities</b>   | <b>1,036</b> |
| <b>Non-current liabilities</b>   |              |
| Provisions   | 52           |
| <b>Total non-current liabilities</b>   | <b>52</b>    |
| <b>Total liabilities</b>   | <b>1,088</b> |
| <b>Net assets</b>  | <b>381</b>   |

##### Transfer out arising from Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2017

##### Veterans' Affairs (to Department of Justice)

|                                      |              |
|--------------------------------------|--------------|
| <b>Assets</b>                        |              |
| <b>Current assets</b>                |              |
| Cash and cash equivalents            | 101          |
| Receivables                          | 324          |
| <b>Total current assets</b>          | <b>425</b>   |
| <b>Total assets</b>                  | <b>425</b>   |
| <b>Liabilities</b>                   |              |
| <b>Current liabilities</b>           |              |
| Payables                             | 866          |
| Provisions                           | 211          |
| <b>Total current liabilities</b>     | <b>1,077</b> |
| <b>Non-current liabilities</b>       |              |
| Provisions                           | 3            |
| <b>Total non-current liabilities</b> | <b>3</b>     |
| <b>Total liabilities</b>             | <b>1,080</b> |
| <b>Net assets</b>                    | <b>(655)</b> |

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Transfer in arising from Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2017

##### Regional NSW (from Department of Industry)

#### Assets

##### Non-Current assets

Property, plant and equipment 12

**Total non-current assets 12**

**Total assets 12**

#### Liabilities

##### Current liabilities

Payables 196

Provisions 1,070

**Total current liabilities 1,266**

##### Non-current liabilities

Provisions 93

**Total non-current liabilities 93**

**Total liabilities 1,359**

**Net assets (1,347)**

Increase/(Decrease) in Net Assets From Equity Transfers (1,073)

#### Transfers - as at 1 July 2015

2016

\$000

#### Transfer in arising from Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2015

##### Investment Attraction and Development Branch (from Department of Trade and Investment, Regional Infrastructure and Services)

#### Assets

##### Current assets

Cash and cash equivalents 503

Receivables 38

**Total current assets 541**

##### Non-Current assets

Property, plant and equipment 32

Intangible assets 208

Receivables 58

**Total non-current assets 298**

**Total assets 839**

#### Liabilities

##### Current liabilities

Payables 92

Provisions 410

**Total current liabilities 502**

##### Non-current liabilities

Provisions 12

**Total liabilities 514**

**Net assets 325**

Increase/(Decrease) in Net Assets From Equity Transfers 325

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 17 Commitments for Expenditure

|   | 2017           | 2016           |
|---|----------------|----------------|
|   | \$000          | \$000          |
| <b>Operating Lease Commitments</b>  |                |                |
| Future non-cancellable operating lease rentals not provided for and payable |                |                |
| Not later than one year   | 18,773         | 17,792         |
| Later than one year and not later than five years                           | 70,540         | 67,977         |
| Later than five years   | 63,447         | 80,348         |
| <b>Total (including GST)</b>  | <b>152,760</b> | <b>166,117</b> |

The operating lease commitments relate to leasing of office space and motor vehicles. \$152.8m of the above expenditure is subject to GST (2016\*: \$164.8m), which includes input tax credits of \$13.9m (2016: \$14.9m) that are expected to be recoverable from the ATO. \* 2016 - leases not subject to GST were overseas leased offices of the Department. These offices were part of the International branch transferred out of the Department on 1 April 2017.

### 18 Contingent Liabilities and Contingent Assets

#### Contingent Liabilities

The Department is not aware of any significant or material contingent liability in existence at 30 June 2017 or which has emerged subsequent to this date, which may materially impact on the financial position of the Department as shown in the financial statements.

#### Contingent Assets

There are no known contingent assets at balance date.

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 19 Budget Review

#### Net Result

The net result was a \$10,495k deficit compared to budgeted deficit of \$5,415k. This is an unfavourable variance of \$5,080k, arising from the following items.

#### Expenses

Total expenses excluding losses were \$247,651k compared to a budget of \$237,262k. This was \$10,389k over budget. The factors causing this were:

Machinery-of-government changes due to the Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2017 effective from 1 April 2017, which transferred the Veterans' Affairs and International branches out of the Department and the Regional NSW group into the Department. The Regional NSW group total expenditure for the 3 months as part of the Department and not included in the original budget was \$20,165k. This included Regional NSW grants of \$10,920k.

#### Revenue

Appropriations (net of transfer payments) were \$211,652k compared to a budget of \$222,868k (excluding transfer payments). This was \$11,306k under budget, primarily due to the Machinery of Government changes.

Sale of Goods and Services were \$7,260k compared to a budget of \$2,138k. This was \$5,122k above budget, which reflects an increase in recoveries from other agencies.

Grants and Contributions were \$16,966k compared to a budget of \$2,674k. This was \$14,292k above budget, which reflects an increase in grants received for the Regional NSW group (\$5,800k) and for Local Government Reform (\$2,800k).

#### Other Gains

Other gains / (losses) were \$235k compared to a budget of nil. This was a result of net present value recalculations of restoration provisions.

#### Assets and Liabilities

Net assets were \$128,791 compared to a budget of \$112,532k. The major variances arising on the Statement of Financial Position are noted below:

#### Assets

Cash and Cash Equivalents were \$20,315k compared to a budget of \$4,400k. This is \$15,915k over budget, which is due to the timing differences in a number of accounts payables resulting in them being accrued to be paid next financial year.

Current receivables were \$14,159k compared to a budget of \$4,070k. This was \$10,089k over budget primarily due to \$7,303k in debtors not overdue.

Property Plant and Equipment – Land and Buildings were \$129,996k compared to a budget of \$106,354k. This is \$23,642k over budget, which is due to the revaluation of land and buildings at Government House Sydney (\$22,270k).

#### Liabilities

Payables were \$27,280k compared to a budget of \$9,708k. This is \$17,572k over budget, which is due to a timing difference resulting from a number of vendor payments being accrued to be paid next financial year.

#### Cash Flows

The closing Cash position was \$20,315k compared to a budget of \$4,400k. This is over budget by \$15,915k due to overdrawn appropriations for the contingency fund (\$6,207k) and timing differences in a number of accounts payables resulting in them being accrued to be paid next financial year.

## Department of Premier and Cabinet

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 20 Reconciliation of Cash Flows from Operating Activities to Net Result

|  | 2017            | 2016         |
|--|-----------------|--------------|
|  | \$000           | \$000        |
| Net cash used on operating activities              | 7,282           | 21,784       |
| Net adjustments for non-cash equity transfers      | (346)           | 178          |
| Allowance for Impairment                           | ----            | ----         |
| Depreciation                                       | (8,769)         | (7,434)      |
| Finance Costs                                      | (106)           | (130)        |
| Decrease / (increase) in provisions                | (537)           | (2,394)      |
| Increase / (decrease) in receivables & prepayments | 9,259           | 806          |
| (Increase) / decrease in creditors                 | (9,444)         | (7,545)      |
| Net gain / (loss) on sale of plant and equipment   | (4)             | (25)         |
| Other gain / (loss)                                | (235)           | (1,756)      |
| Decrease / (increase) in other liabilities         | (7,595)         | 1,025        |
| <b>Net result</b>                                  | <b>(10,495)</b> | <b>4,509</b> |

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 21 Financial Instruments

The Department's principal financial instruments are outlined below. These financial instruments arise directly from the Department's operations or are required to finance the Department's operations. The Department does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Department's main risks arising from financial instruments are outlined below, together with the Department's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout 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 the Department, to set risk limits and controls and to monitor risks. The Audit and Risk Committee and Internal Auditors assist in the review of compliance with policies.

#### (a) Financial instrument categories

| Financial Assets          | Note | Category                                  | Carrying Amount | Carrying Amount |
|---------------------------|------|---|-----------------|-----------------|
| Class:                    |      |   | 2017            | 2016            |
|                           |      |   | \$000           | \$000           |
| Cash and cash equivalents | 8    | Not Applicable                            | 20,315          | 18,909          |
| Receivables <sup>1</sup>  | 9    | Loans and receivables (at amortised cost) | 10,456          | 2,208           |

| Financial Liabilities | Note | Category   | Carrying Amount | Carrying Amount |
|-----------------------|------|--|-----------------|-----------------|
| Class:                |      |  | 2017            | 2016            |
|                       |      |  | \$000           | \$000           |
| Payables <sup>2</sup> | 13   | Financial liabilities measured at amortised cost | 26,245          | 17,314          |
| Other                 | 15   | Financial liabilities measured at amortised cost | 31,539          | 33,570          |

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 21 Financial Instruments

#### (b) Credit Risk

Credit risk arises when there is the possibility of the Department's debtors defaulting on their contractual obligations, resulting in a financial loss to the Department. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises through the holding of financial assets, including cash, receivables and authority deposits. No collateral is held by the Department. No financial guarantees have been provided by the Department.

Credit risk associated with the Department'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.

#### Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance sheet 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 uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 14 or 30 day terms.

The Department is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2017: \$7,3038k; 2016: \$1,260k) and less than 3 months past due (2017: \$37k; 2016: \$150k) are not considered impaired and together these represent 91% (2016: 70%) of the total trade debtors. Most of the Department's debtors have a AAA credit rating.

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.

|                             | \$000                |  |                                    |
|-----------------------------|----------------------|--|------------------------------------|
|                             | Total <sup>1,2</sup> | Past due but not impaired <sup>1,2</sup> | Considered impaired <sup>1,2</sup> |
| <b>2017</b>                 |                      |  |                                    |
| < 3 months overdue          | 37                   | 37                                       | ----                               |
| 3 months - 6 months overdue | 178                  | 178                                      | ----                               |
| > 6 months overdue          | 536                  | 536                                      | ----                               |
| <b>2016</b>                 |                      |  |                                    |
| < 3 months overdue          | 150                  | 150                                      | ----                               |
| 3 months - 6 months overdue | 158                  | 158                                      | ----                               |
| > 6 months overdue          | 444                  | 444                                      | ----                               |

#### Notes

- Each column in the table reports "gross receivables".
- The ageing analysis 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.

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 21 Financial Instruments

#### (c) Liquidity risk

Liquidity risk is the risk that the Department will be unable to meet its payment obligations when they fall due. The Department continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment 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 NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not 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.

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

Maturity Analysis and interest rate exposure of financial liabilities

|                                      | \$'000  |                   |                        |                           |                         |               |               |               |
|--------------------------------------|---|-------------------|------------------------|---------------------------|-------------------------|---------------|---------------|---------------|
|                                      | Weighted<br>Average<br>Effective Int.<br>Rate | Nominal<br>Amount | Fixed Interest<br>Rate | Variable<br>Interest Rate | Non-interest<br>bearing | < 1 yr        | 1-5 years     | > 5 yrs       |
| <b>2017</b>                          |   |                   |                        |                           |                         |               |               |               |
| Payables:                            |   |                   |                        |                           |                         |               |               |               |
| Accrued salaries, wages and on-costs |   | 298               | ----                   | ----                      | 298                     | 298           | ----          | ----          |
| Creditors                            |   | 25,947            | ----                   | ----                      | 25,947                  | 25,947        | ----          | ----          |
|                                      |   | <b>26,245</b>     | ----                   | ----                      | <b>26,245</b>           | <b>26,245</b> | ----          | ----          |
| Other Liabilities:                   |   |                   |                        |                           |                         |               |               |               |
| Unamortised leasehold incentive      |   | 31,516            | ----                   | ----                      | 31,516                  | 3,053         | 12,212        | 16,251        |
| Other                                |   | 24                | ----                   | ----                      | 24                      | 24            | ----          | ----          |
|                                      |   | <b>31,540</b>     | ----                   | ----                      | <b>31,540</b>           | <b>3,077</b>  | <b>12,212</b> | <b>16,251</b> |
| <b>Total</b>                         |   | <b>57,785</b>     | ----                   | ----                      | <b>57,785</b>           | <b>29,322</b> | <b>12,212</b> | <b>16,251</b> |
| <b>2016</b>                          |   |                   |                        |                           |                         |               |               |               |
| Payables:                            |   |                   |                        |                           |                         |               |               |               |
| Accrued salaries, wages and on-costs |   | 687               | ----                   | ----                      | 687                     | 687           | ----          | ----          |
| Creditors                            |   | 16,627            | ----                   | ----                      | 16,627                  | 16,627        | ----          | ----          |
|                                      |   | <b>17,314</b>     | ----                   | ----                      | <b>17,314</b>           | <b>17,314</b> | ----          | ----          |
| Other Liabilities:                   |   |                   |                        |                           |                         |               |               |               |
| Unamortised leasehold incentive      |   | 33,547            | ----                   | ----                      | 33,547                  | 3,053         | 12,212        | 18,282        |
| Other                                |   | 23                | ----                   | ----                      | 23                      | 23            | ----          | ----          |
|                                      |   | <b>33,570</b>     | ----                   | ----                      | <b>33,570</b>           | <b>3,076</b>  | <b>12,212</b> | <b>18,282</b> |
| <b>Total</b>                         |   | <b>50,884</b>     | ----                   | ----                      | <b>50,884</b>           | <b>20,390</b> | <b>12,212</b> | <b>18,282</b> |



# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 21 Financial Instruments

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Department's exposures to market risk are primarily through interest rate risk on the Department's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Department operates and the time frame for the assessment (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

The Department does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect net results or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Department's exposure to interest rate risk is set out below.

| Consolidated                 | Carrying Amount | -1%           |               | 1%            |               |
|------------------------------|-----------------|---------------|---------------|---------------|---------------|
|                              |                 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 |
| <b>2017</b>                  |                 |               |               |               |               |
| <i>Financial assets</i>      |                 |               |               |               |               |
| Cash and cash equivalents    | 20,315          | (203)         | (203)         | 203           | 203           |
| Receivables                  | 10,456          | (105)         | (105)         | 105           | 105           |
| <i>Financial liabilities</i> |                 |               |               |               |               |
| Payables                     | 26,245          | 262           | 262           | (262)         | (262)         |
| Other liabilities            | 31,539          | 315           | 315           | (315)         | (315)         |
| <b>2016</b>                  |                 |               |               |               |               |
| <i>Financial assets</i>      |                 |               |               |               |               |
| Cash and cash equivalents    | 18,909          | (189)         | (189)         | 189           | 189           |
| Receivables                  | 2,208           | (22)          | (22)          | 22            | 22            |
| <i>Financial liabilities</i> |                 |               |               |               |               |
| Payables                     | 17,314          | 173           | 173           | (173)         | (173)         |
| Other liabilities            | 33,570          | 336           | 336           | (336)         | (336)         |

#### (e) Fair value measurement

##### (i) 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.

# Department of Premier and Cabinet

## Notes to and forming part of the Financial Statements for the year ended 30 June 2017

### 22 Related Party Disclosures

#### Related party disclosures – key management personnel

In accordance with AASB 124 Related Party Disclosures, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity.

##### a. Compensation of key management personnel

|                                   | 2017         |
|-----------------------------------|--------------|
|                                   | \$'000       |
| Short-term employee benefits:     |              |
| Salaries                          | 2,866        |
| Other monetary allowances         | ----         |
| Non-monetary benefits             | 33           |
| Other long-term employee benefits | ----         |
| Post-employment benefits          | ----         |
| Termination benefits              | ----         |
| <b>Total remuneration</b>         | <b>2,899</b> |

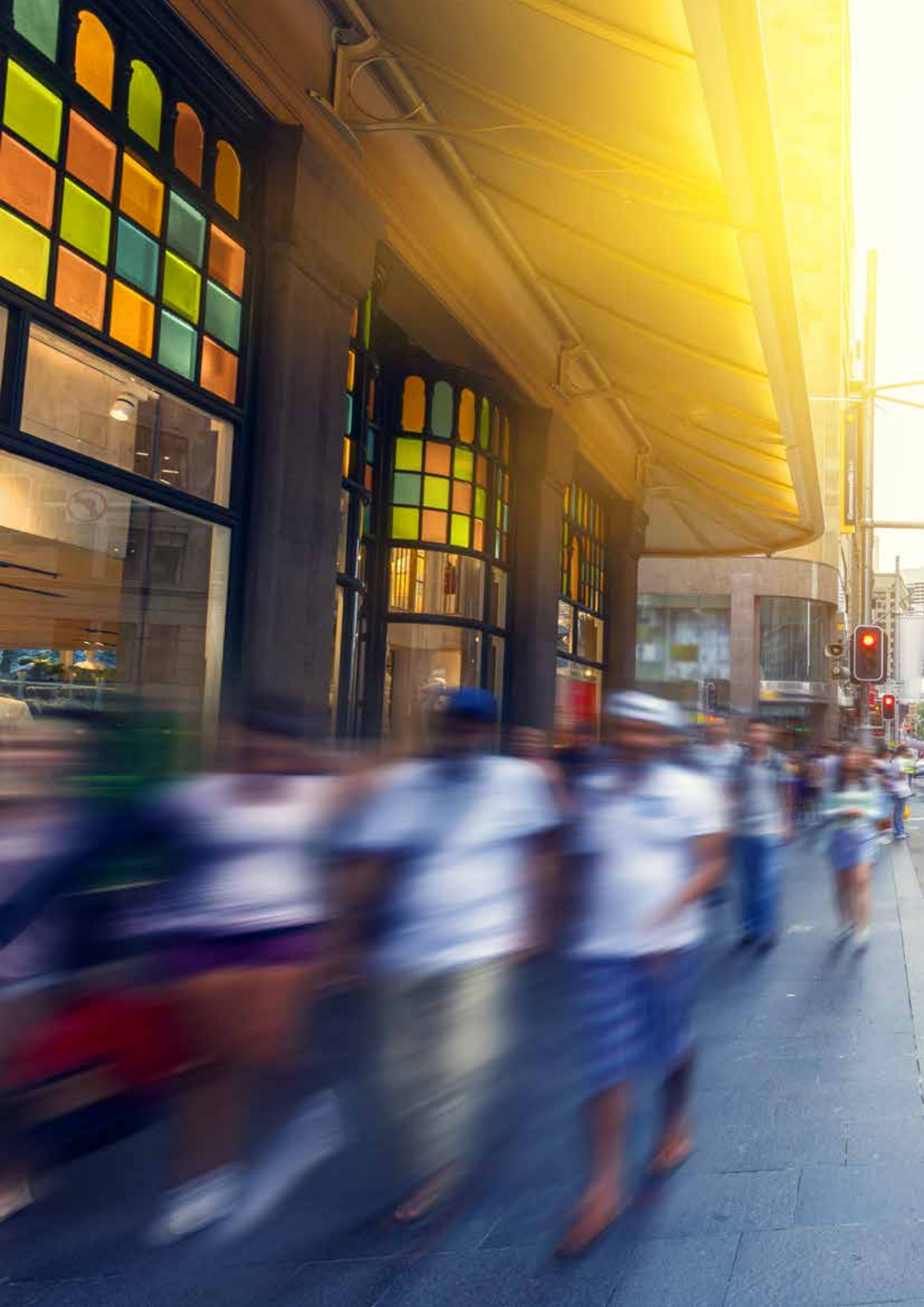
##### b. Transactions with related parties

During the year, the Department entered into transactions with NSW Government related entities that are controlled, jointly controlled or significantly influenced by NSW Government. These transactions are all at arm's length and in the ordinary course of the business of the Department.

### 23 Events After the Reporting Period

There is no matter or circumstance that have arisen since 30 June 2017 that have significantly affected, or may significantly affect the Department's operations, the result of those operations, or the state of affairs in future financial years.

#### End of audited financial statements



# APPENDICES



# ADMINISTRATION

## Privacy Management Plan

Clause 6 of the Annual Reports (Departments) Regulation 2010 requires a statement of the action taken by DPC in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (the *PIIP Act*), and statistical details of any review conducted by or on behalf of DPC under Part 5 of that Act.

In compliance with the provisions of the *PIIP Act*, DPC has a Privacy Management Plan (PMP) and has a designated Privacy Contact Officer. Mechanisms have been established to make staff aware of the *PIIP Act* and other privacy obligations. DPC's privacy policy is clearly set out at paragraphs 11.14–11.15 of its Code of Conduct. New staff members are briefed when joining DPC on their obligations under the Code, including in relation to the handling of personal information and an e-learning module is provided on the intranet. The PMP was reviewed and amended in 2012 and updated in 2015 to reflect DPC's new structure. It is published on DPC's website [www.dpc.nsw.gov.au](http://www.dpc.nsw.gov.au).

DPC's Privacy Contact Officer can be contacted at:

**Privacy Contact Officer**  
Information Access Unit  
Cabinet and Legal  
Department of Premier and Cabinet  
PO Box 5341 SYDNEY NSW 2001  
Phone: (02) 9228 5871

## Internal reviews

In 2016–2017, DPC received one application for internal review under section 53 of the *PIIP Act*. DPC conducted a review which determined that no further action would be taken on the matter. No internal reviews were conducted by or on behalf of DPC under the *Health Records and Information Privacy Act 2002* during 2016–2017.

## Public Interest Disclosures

DPC recognises the value and importance of the contributions of public officials to enhance administrative and management practices. DPC supports public interest disclosures being made by public officials regarding these matters. This year DPC updated its Public Interest Disclosures Policy and introduced an accompanying procedure. To encourage and facilitate reporting, three additional officers were nominated to receive staff reports. All nominated officers were trained in February 2017 by the NSW Ombudsman. This was promoted in the agency under the 'We'll Support Your Report' campaign.

The *Public Interest Disclosures Act 1994*, section 31, requires each public authority to prepare an annual report on obligations under the Act. In accordance with 'Section 4' of the Public Interest Disclosures Regulation 2011, the following information is provided on public interest disclosures for the period 1 July 2015 to 30 June 2016:

- a. Number of public officials who made public interest disclosures ..... 1
- b. Number of public interest disclosures relating to possible or alleged:
  - i. corrupt conduct..... 0
  - ii. maladministration ..... 0
  - iii. serious and substantial waste of public money ..... 1
  - iv. government information contraventions ..... 0
  - v. local government pecuniary interest contraventions ..... 0

TOTAL number of public interest disclosures received ..... 1

The public interest disclosure was received under Section 25 of the *Public Interest Disclosures Act 1994*.

- (c) Number of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period ..... 1

- (d) An internal reporting policy has been established.

Information is provided on the DPC's intranet site. DPC has a policy and procedures to guide staff in the reporting of PIDs.

- (e) Actions taken to ensure staff awareness of the policy and the protections under the Act are:

- In this reporting period, Induction Training for staff was modified to include information about how to make a PID and who the DPC disclosure officers are. Information sessions were held at individual Branch meetings to inform staff about the Code of Conduct and also about PID reporting.
- DPC organised training in February 2017 for Disclosure Officers, for DPC and its Cluster. The half day training sessions were run by the Ombudsman, with 36 attendees.
- Section 6CA of the Act requires each public authority to provide a report for each six month period to the Ombudsman on compliance with the obligations under the Act. In accordance with the Ombudsman's reporting system, information as shown above was provided within the statutory deadlines.

## Government Information (GIPA)

### Obligations under GIPA Act

#### 1. Review of proactive release program—Clause 7(a)

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

DPC's program for the proactive release of information involves reviewing the information sought and released pursuant to GIPA applications received over the financial year, considering the kinds of government information held by DPC that may be suitable for proactive release and asking DPC groups and branches to submit information that is suitable for proactive release to DPC's Information Access Unit (IAU). Following this review, IAU considers whether there are any public interest considerations against disclosure of the information, whether consultation is required, and whether this would impose unreasonable additional costs to DPC.

During the reporting period, DPC continued this program by issuing a memorandum to groups and branches requiring them to report to IAU on any information that they hold, which may be suitable for authorised proactive release.

DPC continues to proactively release information concerning the costs of entitlements for former office holders and details of Ministerial staff numbers. The information is available on DPC's website.

During this reporting period, DPC reviewed a number of key documents relating to proactive release of government information and updated these documents on DPC's website. In particular, DPC released an updated External Complaints Handling Policy and an External Complaints Handling Procedure.

OpenGov NSW contains information published by NSW Government agencies, including annual reports and open access information released under the GIPA Act. DPC's annual report is publicly available on the OpenGov NSW website at [www.opengov.nsw.gov.au](http://www.opengov.nsw.gov.au).

#### 2. Number of access applications received—Clause 7(b)

During the reporting period, DPC received 96 formal access applications (including withdrawn applications but not invalid applications).

#### 3. Number of refused applications for Schedule 1 information—Clause 7(c)

During the reporting period, DPC refused 23 formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act.

Of those applications, four decisions were made to refuse in full, and 19 decisions were made to refuse in part.

#### 4. Statistical information about access applications—clause 7(d) and Schedule 2

|   | Access granted in full | Access granted in part | Access refused in full | Information not held | Information already available | Refuse to deal with application | Refuse to confirm/deny whether information is held | Application withdrawn |
|---|------------------------|------------------------|------------------------|----------------------|-------------------------------|---------------------------------|--|-----------------------|
| Media   | 8                      | 9                      | 1                      | 7                    | 3                             | 1                               | 0  | 3                     |
| Members of Parliament                                       | 11                     | 12                     | 1                      | 4                    | 5                             | 3                               | 0  | 0                     |
| Private sector business                                     | 0                      | 0                      | 1                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Not for profit organisations or community groups            | 0                      | 1                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Members of the public (application by legal representative) | 0                      | 1                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Members of the public (other)                               | 5                      | 2                      | 2                      | 3                    | 1                             | 2                               | 0  | 0                     |

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.

|  | Access granted in full | Access granted in part | Access refused in full | Information not held | Information already available | Refuse to deal with application | Refuse to confirm/deny whether information is held | Application withdrawn |
|--|------------------------|------------------------|------------------------|----------------------|-------------------------------|---------------------------------|--|-----------------------|
| Personal information applications*   | 1                      | 0                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Access applications (other than personal information applications)                     | 23                     | 25                     | 5                      | 14                   | 9                             | 6                               | 0  | 3                     |
| Access applications that are partly personal information applications and partly other | 0                      | 0                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |

\* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

The total number of decisions in Table B should be the same as Table A.

**Table C: Invalid applications**

| Reason for invalidity   | Number of applications |
|---|------------------------|
| Application does not comply with formal requirements (section 41 of the Act)  | 1                      |
| 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                                 | 1                      |
| Invalid applications that subsequently became valid applications              | 0                      |

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

|   | Number of times consideration used* |
|---|-------------------------------------|
| Overriding secrecy laws                               | 0                                   |
| Cabinet information                                   | 19                                  |
| Executive Council information                         | 0                                   |
| Contempt  | 3                                   |
| Legal professional privilege                          | 6                                   |
| Excluded information                                  | 1                                   |
| Documents affecting law enforcement and public safety | 0                                   |
| Transport safety                                      | 0                                   |
| Adoption  | 0                                   |
| Care and protection of children                       | 0                                   |
| Ministerial code of conduct                           | 0                                   |
| Aboriginal and environmental heritage                 | 0                                   |

\*More than one public interest consideration may apply in relation to a particular access application if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.



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

|  | Number of occasions when application not successful |
|--|---|
| Responsible and effective government                                 | 6   |
| Law enforcement and security   | 0   |
| Individual rights, judicial processes and natural justice            | 5   |
| Business interests of agencies and other persons                     | 12  |
| Environment, culture, economy and general matters                    | 0   |
| Secrecy provisions   | 0   |
| Exempt documents under interstate Freedom of Information legislation | 1   |

**Table F: Timeliness**

|  | Number of applications |
|--|------------------------|
| Decided within the statutory timeframe (20 days plus any extensions) | 72                     |
| Decided after 35 days (by agreement with applicant)                  | 22                     |
| Not decided within time (deemed refusal)                             | 7                      |
| Withdrawn applications   | 3                      |
| <b>Total</b>   | <b>104</b>             |

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

|  | Decision varied | Decision upheld | Total    |
|--|-----------------|-----------------|----------|
| Internal review  | 2               | 1               | 3        |
| Review by Information Commissioner*                              | 0               | 0               | 0        |
| Internal review following recommendation under section 93 of Act | 0               | 1               | 1        |
| Review by NCAT   | 0               | 1               | 1        |
| <b>Total</b>   | <b>2</b>        | <b>3</b>        | <b>5</b> |

\* The Information Commissioner does not have the authority to vary decisions, but can make a recommendation to the original decision maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

|   | Number of applications for review |
|---|-----------------------------------|
| Applications by access applicants   | 3                                 |
| Applications by persons to whom information the subject of access application relates (see section 54 of the Act) | 0                                 |

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

|                               | Number of applications for review |
|-------------------------------|-----------------------------------|
| Agency-initiated transfers    | 22                                |
| Applicant-initiated transfers | 14                                |

## DPC Digital Information Security – Annual Attestation



### **Digital Information Security Annual Attestation Statement for the 2016/17 Financial Year for the Department of Premier and Cabinet (DPC)**

I, Blair Comley, am of the opinion that DPC had an Information Security Management System in place during the 2016-2017 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 DPC are adequate.

There is no agency under the control of the DPC which is required to develop an independent ISMS in accordance with the *NSW Government Digital Information Security Policy*.

A handwritten signature in blue ink, appearing to read 'Blair Comley', with a long, sweeping flourish extending to the right.

Blair Comley PSM  
Secretary

5/9/2017

## Audit and risk management

The Secretary is required to provide an annual statement attesting to compliance with the eight core requirements of Treasury Policy TPP 15/03 Internal Audit and Risk Management Policy for the NSW Public Sector.

DPC has embedded an enterprise-wide risk management culture into its business and management practices through the provision to employees of a robust framework of risk related policies, plans and online training modules which include:

- Risk Management Framework, Policy and training module
- Fraud and Corruption Control Policy and Strategy and training module
- Work Health and Safety Policy, Committee and training module
- Security and Emergency Awareness Plan and training module
- Business Continuity Plan
- Public Interest Disclosures Policy and Procedures.

DPC conducts regular reviews of these policies and its Audit and Risk Committee and Internal Audit Charters which are endorsed by the Audit and Risk Committee. DPC also undertakes a bi-annual enterprise-wide corporate risk assessment, which forms the foundation of its two year internal audit plan.

Other activities that DPC undertakes to provide assurance to its Audit and Risk Committee, the Secretary of its enterprise-wide risk framework and compliance with NSW Treasury Policy TPP 15-03 Internal Audit and Risk Management Policy for the NSW public sector, include:

- completing and issuing the annual report on legislative compliance
- conducting internal audits as per DPC's Internal Audit Plan
- issuing audit recommendations to managers to improve operations combined with following up to ensure implementation of recommendations has occurred in accordance with agreed timeframes
- ensuring corporate risk management procedures are aligned with ISO 31000:2009's 11 best practice principles and incorporates control environment, risk assessment, analysis, evaluation and treatment, information and communication, monitoring as well as management and employee accountabilities.

Compliance with the policy is ensured through the operation of the DPC's Audit and Risk Committee. The committee also oversees implementation of the approved internal audit program conducted by Deloitte Touche Tohmatsu (Deloitte).

The 2016-17 plan consists of the following audits:

- Record Management System Security Design
- Fraud and Corruption
- Ministerial Drivers WH&S Management
- Procurement
- Shared Services Performance.

## Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for the Department of Premier and Cabinet

I, Blair Comley, Secretary of the Department of Premier and Cabinet am of the opinion that the Department of Premier and Cabinet 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

#### 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:

- Independent Chair, Arthur Butler (Jan. 2014 – Dec. 2017)
- Independent Member, Bruce Turner AM (Jan. 2014 – Dec. 2017)
- Independent Member, Gerardine Brus (Oct. 2013 – Oct. 2017)

Blair Comley PSM

Secretary  
Department of Premier and Cabinet  
Date: 1 September 2017

Agency Contact Officer:

Tracy Piscopo  
Principal Risk and Audit Officer  
Telephone: 9228 5576

## Implementing performance audit recommendations

DPC uses the Audit Office of NSW (AONSW) Better Practice Checklist to maintain a sound practice in relation to the implementation and monitoring of performance audit recommendations. This includes monitoring by the Audit and Risk Committee. DPC's progress on implementing performance audit recommendations for the 2016–17 financial year is outlined in the table below.

| Performance Audit Report Name  | Date Tabled     | Number of Recommendations | Number of Recommendations on-track | Number of Recommendations Closed | Number of Recommendations Delayed | Proposed Implementation Dates |
|--|-----------------|---------------------------|------------------------------------|----------------------------------|-----------------------------------|-------------------------------|
| Government Advertising   | 22 June 2015    | 8                         | 0                                  | 8                                | 0                                 | N/A—Action Complete           |
| Managing Unsolicited Proposals in NSW                                | 10 March 2016   | 4                         | 4                                  | 0                                | 0                                 | August 2017                   |
| Red Tape Reduction   | 25 August 2016  | 5                         | 4                                  | 1                                | 0                                 | October 2017                  |
| Government Advertising   | 27 October 2016 | 5                         | 1                                  | 4                                | 0                                 | September 2017                |
| Implementation of the NSW Government's program evaluation initiative | 3 November 2016 | 2                         | 2                                  | 0                                | 0                                 | March 2018                    |
| NorthConnex  | 8 June 2017     | 2                         | 2                                  | 0                                | 0                                 | December 2017                 |

## Overseas visits

| Date                       | Officer         | Destination                                       | Purpose   |
|----------------------------|-----------------|---|---|
| 17–22<br>July 2016         | Alison Airey    | Tokyo, Japan<br>& Seoul and<br>Seongnam,<br>Korea | Accompanied the Minister for Trade as a delegation member on his mission to Japan and Korea.  |
| 24–31<br>August 2016       | Peter Mackey    | Singapore and<br>Vietnam                          | To promote NSW as a study destination for Vietnamese students. The travel was as part of a combined mission with NSW universities. Included an en–route stopover in Singapore to meet with Austrade’s Commissioner to ASEAN to promote study in NSW in the ASEAN region, and also to meet with Australia’s largest education agent IDP Education Australia at its regional headquarters to strengthen the important stakeholder relationship. |
| 7–26<br>September<br>2016  | Ryan Smith      | Tel Aviv  | To support the Tel Aviv Landing Pad Mission sponsored by the NSW Government and Austrade. The aim of the Landing Pad Mission is to facilitate start–ups to learn from the progressive Israeli innovation ecosystem, research and development areas in universities, business and government.  |
| 19–24<br>September<br>2016 | Gabrielle Oriel | Berlin,<br>Germany                                | To promote NSW’s export capabilities at InnoTrans—the world’s largest rail transport and engineering exhibition. Worked with Austrade on the ‘Australia Stand’ with 27 NSW Exhibitors.  |
| 22–29<br>October<br>2016   | Blair Comley    | Massachusetts,<br>USA                             | Attended the Harvard Kennedy School, Leadership Decision Making Course.<br>Blair Comley was granted the Sir James Wolfensohn Public Service Scholarship which paid for the course and air fares.  |
| 3–17<br>November<br>2016   | Janet Schorer   | London, UK  | Attended Executive Strategy for Results Course at the London Business School.<br>Organised a number of external meetings with UK Cabinet Office, Health Services and NGOs to discuss National Disability Insurance Scheme.  |
| 5–11<br>November<br>2016   | Sharon Foster   | Shanghai,<br>China                                | To promote NSW’s export capabilities. Attended Food and Hotel China Expo. Worked with Food Innovation Australia Ltd and Austrade on the ‘Heart of Australia’ stand with 21 NSW exhibitors. Assisted with providing market insights, retail tours, briefings for NSW and Austrade in–market staff.   |
| 12–19<br>November<br>2016  | Tim Hampton     | Singapore   | Attended ANZSOG Executive Fellows Program.  |

| Date                          | Officer             | Destination  | Purpose   |
|-------------------------------|---------------------|--------------|---|
| 26 November – 6 December 2016 | Simon Draper        | Boston, USA  | Attended Leadership Best Practices course at the Harvard Business School as a component of the Public Service Commission, Leadership Academy Program.   |
| 5–7 December 2016             | Dr Alex King        | New Zealand  | Spoke at New Zealand Government’s Government Economics Network event.   |
| 31 January – 3 February 2017  | Susan Calvert       | Tokyo, Japan | Visit and attend the Tokyo Global Partners’ Conference.   |
| 24 February – 3 March 2017    | Rob Harrison        | Dubai, UAE   | To promote NSW’s export capabilities. Worked with Food Innovation Australia Ltd and Austrade on the ‘Heart of Australia’ stand with 35 NSW exhibitors. Assisted with providing market insights, retail tour and briefings for NSW and Austrade in-market staff. |
| 11–18 June 2017               | Paula Fitzpatrick   | China        | Attended a working visit hosted by the Guangdong Foreign Affairs Office.  |
| 16–26 June 17                 | Mary–Ann O’Loughlin | London       | Attended the Oxford Negotiation Course at Said Business School.   |
| 27–30 June 2017               | Dr Alex King        | Singapore    | Spoke at and attended the Behavioural Exchange 2017 conference.   |
| 27–30 June 2017               | Eva Koromilas       | Singapore    | Attended the Behavioural Exchange 2017 conference.  |
| 28–30 June 2017               | Cindy Wiryakusuma   | Singapore    | Attended the Behavioural Exchange 2017 conference.  |
| 28–30 June 2017               | Dr Kim Louw         | Singapore    | Attended the Behavioural Exchange 2017 conference.  |
| 28–30 June 2017               | Dr Jenny Chalmers   | Singapore    | Attended the Behavioural Exchange 2017 conference.  |
| 28–30 June 2017               | Edwina James        | Singapore    | Attended the Behavioural Exchange 2017 conference.  |



# FUNDING AND EXPENDITURE

## Insurance

DPC has insurance for all major assets and significant risks through the NSW Government self-insurance scheme (the NSW TMF). This includes full workers' compensation, motor vehicle, property, public liability and miscellaneous insurance cover.

| DPC Insurance         |                  |            |            |
|-----------------------|------------------|------------|------------|
| Area of Risk          | Insurer          | 2015/16    | 2016/17    |
|                       |                  | \$000      | \$000      |
| Workers' Compensation | Employers Mutual | 255        | 282        |
| Public liability      | GIO              | 75         | 78         |
| Property              | GIO              | 51         | 59         |
| Motor vehicles        | GIO              | 92         | 74         |
| Miscellaneous (other) | GIO              | 4          | 3          |
| <b>Total</b>          |                  | <b>477</b> | <b>496</b> |

## Controlled entities

DPC is a separate entity with no other entities under its control.

## Land disposal

There were no land disposals for the period 1 July 2016 to 30 June 2017.

## Credit card certification

DPC's credit (purchasing) card policies and procedures outline conditions for eligibility, usage and management of corporate cards. These are consistent with NSW Government policy as outlined in relevant Treasury Circulars and Treasurer's Directions.

In accordance with Treasurer's Direction 205.01, it is certified that use of cards by officers of DPC has complied with Government requirements.

## Account payment performance

### Aged analysis at the end of each quarter

| All suppliers |                              |                      |                       |                       |                      |
|---------------|------------------------------|----------------------|-----------------------|-----------------------|----------------------|
| Quarter       | Current<br>(within due date) | < 30 days<br>overdue | 30-60 days<br>overdue | 61-90 days<br>overdue | 90 + days<br>overdue |
| Sept 2016     | \$695,627                    | -\$23,573            | -\$169,598            | -\$67,318             | -\$192,668           |
| Dec 2016      | \$1,257,385                  | \$93,128             | \$142,269             | -\$99,035             | -\$66,477            |
| March 2017    | \$677,695                    | \$94,599             | \$262                 | \$0                   | -\$63,369            |
| June 2017     | \$4,354,346                  | \$350,315            | \$284,541             | -\$99                 | \$162,023            |

## Accounts due or paid within each quarter

| Measure  | Total 2016/2017 | Sept 2016    | Dec 2016     | March 2017   | June 2017    |
|--|-----------------|--------------|--------------|--------------|--------------|
| <b>All suppliers</b>   |                 |              |              |              |              |
| Number of accounts due for payment                                       | 9,834           | 2,748        | 2,323        | 2,020        | 2,743        |
| Number of accounts paid on time  | 8,161           | 2,233        | 1,949        | 1,676        | 2,303        |
| Actual percentage of accounts paid on time (based on number of accounts) | 82.99%          | 81.26%       | 83.90%       | 82.97%       | 83.96%       |
| Dollar amount of accounts due for payment                                | \$132,760,329   | \$34,875,180 | \$21,556,063 | \$22,062,213 | \$54,266,873 |
| Dollar amount of accounts paid on time                                   | \$105,800,566   | \$25,127,034 | \$15,488,841 | \$17,148,763 | \$48,035,928 |
| Actual percentage of accounts paid on time (based on \$)                 | 79.69%          | 72.05%       | 71.85%       | 77.73%       | 88.52%       |
| <b>Small Business Suppliers</b>  |                 |              |              |              |              |
| Number of accounts due for payment                                       | 7               | 0            | 6            | 0            | 1            |
| Number of accounts paid on time  | 7               | 0            | 6            | 0            | 1            |
| Actual percentage of accounts paid on time (based on number of accounts) | 100%            | –            | 100%         | –            | 100%         |
| Dollar amount of accounts due for payment                                | \$20,555        | 0            | \$16,430     | 0            | \$4,125      |
| Dollar amount of accounts paid on time                                   | \$20,555        | 0            | \$16,430     | 0            | \$4,125      |
| Actual percentage of accounts paid on time (based on \$)                 | 100%            | –            | 100%         | –            | 100%         |
| Number of payments for interest on overdue accounts                      | 0               | 0            | 0            | 0            | 0            |
| Interest paid on overdue accounts  | 0               | 0            | 0            | 0            | 0            |

## Consultancies

### Consultancies of value less than \$50,000.

There were 97 consultancies of value less than \$50,000 each with a total value of \$1,415,765.

### Consultancies of value equal to or more than \$50,000.

| Name of consultant                                 | The title/nature of the consultancy                                   | Cost (\$) |
|--|---|-----------|
| <b>Legal</b>                                       |   |           |
| MinterEllison                                      | Commonwealth Program – Mobile Black Spots                             | 90,886    |
| <b>Management services</b>                         |   |           |
| AgEconPlus   | Regional Economic Development Strategy – Central Coast                | 77,600    |
| AgEconPlus   | Regional Economic Development Strategy – Nowra                        | 77,600    |
| Australian Institute of Health                     | Contribution to the Family, Sexual and Domestic Violence Data Project | 70,000    |
| Balmoral Group Australia                           | Regional Economic Development Strategy – Broken Hill                  | 84,876    |
| Balmoral Group Australia                           | Regional Economic Development Strategy – Walgett                      | 84,876    |
| Behavioural Insights (Australia)                   | Application of behavioural economics                                  | 701,647   |
| Cleanstar Australia                                | Regional Infrastructure Review  | 164,476   |
| Community and Patient Preference Research (CaPPRe) | Subjective Wellbeing project  | 233,400   |
| Corview Group                                      | Regional Economic Development Strategy – Capital                      | 92,350    |
| Corview Group                                      | Regional Economic Development Strategy – Clarence Valley              | 92,350    |
| Corview Group                                      | Regional Economic Development Strategy – Cooma                        | 92,350    |
| Corview Group                                      | Regional Economic Development Strategy – Tweed                        | 92,350    |
| Delivery Associates                                | Expert delivery support and advice across the 12 Premier's Priorities | 224,520   |
| Department of Finance and Services                 | OOHC – Research Analytics   | 100,000   |
| Elton Consulting                                   | Local Government Reform Project                                       | 81,913    |
| Enth Degree  | Advisory services for Media Agency tender renewal and evaluation      | 98,809    |
| EY   | UrbanGrowth NSW transition advisory                                   | 202,738   |
| EY   | Audience research for investment attraction marketing                 | 60,725    |
| Gillespie Family Trust                             | Regional Infrastructure Review  | 190,174   |
| Grex Consulting                                    | NSW Future Digital Connectivity Requirements Services                 | 101,395   |
| JWS Research Pty Ltd                               | Local Government Reform Project                                       | 467,990   |
| KPMG   | Healthy Canteen Strategy implementation support                       | 89,000    |

| Name of consultant  | The title/nature of the consultancy   | Cost (\$)        |
|---|---|------------------|
| MIP (Aust) Pty Ltd  | Design and Implementation of the Premier's Priorities dashboard   | 200,617          |
| NERA Australia Pty Ltd  | Regional Economic Development Strategy – Murray   | 84,500           |
| NERA Australia Pty Ltd  | Regional Economic Development Strategy – Balranald  | 84,500           |
| NERA Australia Pty Ltd  | Regional Economic Development Strategy – Young  | 84,500           |
| Newgate Communications Pty Ltd  | Local Government Reform Project   | 152,373          |
| Newgate Communications Pty Ltd  | Project Sydney Brand Development  | 97,770           |
| NGS Global Pty Ltd  | Executive Recruitment Services  | 115,000          |
| Partridge Management Consultants  | Local Government Reform Project   | 216,378          |
| Pinpoint HRM  | Performance Development System design and implementation  | 58,490           |
| Presence of IT  | Learning Management System Implementation Project   | 71,450           |
| PricewaterhouseCoopers  | Review of process for hospital patients requiring Guardianship orders   | 51,644           |
| Professor Peter Shergold  | Role of Coordinator General for Refugee Resettlement in NSW   | 73,438           |
| Sapere Research Group   | NSW Government Governance Framework   | 62,428           |
| Sapere Research Group   | Regional Economic Development Strategy – Hunter   | 119,660          |
| Sapere Research Group   | Regional Economic Development Strategy – Glenn Innes  | 119,660          |
| University of Melbourne (UOM)   | Segmentation analysis to understand the drivers of re-reporting to develop practical interventions to the Protecting our kids, Premier's Priority | 83,401           |
| Urbis Pty Ltd   | Review of development costs in NSW  | 66,563           |
| Victoria University   | A spatial Computable General Equilibrium (GCE) model for Sydney   | 272,360          |
| <b>TOTAL number of individual consultancies with a value equal to or more than 50,000: 41</b> |   | <b>5,586,757</b> |

## Funds and grants

### Miscellaneous, rural and regional grants approved by the Premier

| Name of Organisation                                  | Nature and purpose of grant  | Amount paid (\$) |
|---|--|------------------|
| 1st Bega Scouts                                       | Funding towards hiring a community bus, Cobargo Showgrounds and OHS requirements   | 3,300            |
| 1st Wattle Grove Scouts                               | Sewerage system upgrade of their meeting hall  | 1,500            |
| 1st Winston Hill Scouts                               | Funding towards an Emergency Position Indicating Radio Beacon to improve the safety of smaller groups who depart from the main group | 600              |
| 2CBD Community Radio                                  | Funding to repair the Community Radio's transmission at Deepwater  | 7,825            |
| Adelong Alive Museum                                  | Computer replacement   | 1,500            |
| Adelong Golf Club                                     | Funding towards urgent electrical repairs to the Club  | 4,620            |
| Armidale & District National Servicemen's Association | Funding to purchase a printer for bimonthly newsletter   | 2,000            |
| Australian Paralympic Committee                       | Funding for the 2016 Australian Paralympic Awards  | 50,000           |
| Australian Red Cross                                  | Donation in support of Red Cross Calling 2017  | 200,000          |
| Ballina Lighthouse and Lismore Surf Life Saving Club  | Funding towards a storage facility and gymnasium   | 15,000           |
| Ballina Shire Council                                 | Funding towards engineering and environmental reports as part of the approval process for an ocean pool at Shelley Beach             | 50,000           |
| Barnardos Australia                                   | Support for the Barnardos Mother of the Year 2017  | 15,000           |
| Barraba Hospital Auxiliary                            | Funding to purchase a coffee machine to raise funds for the hospital   | 8,000            |
| Beecroft Bowling Club                                 | Funding to purchase and install projection equipment at the Club's auditorium  | 6,000            |
| Berridale Lions Club                                  | Funding towards replacing a community BBQ  | 2,000            |
| Berry Chamber of Commerce                             | Funding towards the construction of a 'Welcome to Berry' sign  | 10,000           |
| Berry Public School                                   | Funding towards a tile mural that reflects the KidsMatter Slogan 'Every Face has a Place'  | 5,000            |
| Beyond the Bite Inc                                   | Funding for rehabilitation programs to support survivors of shark attack trauma  | 20,000           |
| Blue Mountains Creative Arts Centre                   | Funding towards upgrading the Centre to ensure the safety of participants  | 10,000           |
| Bomaderry Public School                               | Funding to purchase an air conditioning unit and fridge/freezer for the school's canteen   | 5,981            |

| Name of Organisation   | Nature and purpose of grant  | Amount paid (\$) |
|--|--|------------------|
| Breakaway Recreation and Holiday Services                          | Funding towards new cooking and exercise programs for adults with intellectual disabilities            | 8,000            |
| Broken Bay Scout Group   | Funding to restore their premises after vandalism and property damage                                  | 5,000            |
| Cabarita Pony Club   | Funding to upgrade storm damaged canteen   | 10,000           |
| Camden Council   | Funding for the Camden RSL Community Memorial Walkway  | 2,000            |
| Camden Men's Shed  | Funding towards two shipping containers to store equipment after a major flood in June 2016            | 7,000            |
| Camp Quality   | Donation to Team Kermit and the Rotarians, with funds raised going towards Camp Quality esCarpade      | 1,000            |
| City of Penrith RSL Sub Branch                                     | Funding to purchase furniture and amenities at the drop-in centre for veterans and homeless veterans   | 2,500            |
| Clunes Old School Association                                      | Funding towards an outdoor covered entertainment stage   | 7,037            |
| Co.As.It.  | Donation in support of the Italian earthquake victims of Amatrice in Italy                             | 5,000            |
| Co.As.It.  | Donation in support of the core costs of the organisation  | 10,000           |
| Coast Shelter – Central Coast Emergency Accommodation Services Ltd | Funding towards a new washing machine and dryer  | 1,200            |
| Cobargo CWA  | Funding towards replacing the cottage kitchen  | 5,000            |
| Collaroy RSL Club  | Funding for Club's repairs following the winter storms   | 20,000           |
| Connells Point Public School P&C                                   | Funding to enable the school to build an outdoor learning area   | 40,000           |
| Cooma North Preschool  | Funding to upgrade the children's bathroom   | 10,000           |
| Council of Indian Australians Inc                                  | Funding towards banners, tables, chairs and printer to support services to the local migrant community | 2,000            |
| Country Women's Association Toongabbie Branch                      | Funding towards two sewing machines in support of a vulnerable local group                             | 2,000            |
| Darcy St Project   | Funding towards expanding their work into Western Sydney   | 10,000           |
| Deaf Sports Australia  | Funding to support the NSW-based athletes and officials of the Australian Deaflympic Team              | 10,000           |
| Dee Why Surfing Fraternity   | Funding assistance towards a new trailer   | 2,000            |
| DPC (Protocol and Special Events)                                  | Funding towards video projections onto Challis House for the Centenary of Anzac commemorations         | 31,350           |
| Duck Dash Pty Ltd  | Donation in support of the 2016 Duck Dash  | 600              |

| Name of Organisation                                | Nature and purpose of grant   | Amount paid (\$) |
|---|---|------------------|
| Epping RSL Sub-Branch                               | Funding towards renovating the Boronia Park Cenotaph  | 21,500           |
| Erskine Park Rural Fire Brigade                     | Funding assistance for computers and desks to assist with training volunteers                           | 3,000            |
| Family Drug Support                                 | Donation in support of the National Family Drug Support Day being held on 22 February 2017              | 10,000           |
| Gerringong Cricket Club                             | Funding assistance to purchase a turf roller  | 9,000            |
| Gerringong Netball Club                             | Funding towards the supply and installation of LED floodlighting at the courts                          | 6,000            |
| Girl Guides at Cambridge Gardens                    | Funding for refurbishment work at the guide hall  | 10,000           |
| Goulburn Basketball Association                     | Funding for a new scoreboard and shot clock system  | 5,000            |
| Goulburn High School P&C Association                | Funding towards the cost of new cricket nets  | 5,000            |
| Goulburn Strikers Football Club                     | Funding to fitout the new canteen, bathroom and toilet facilities                                       | 5,000            |
| Greenwell Point Men's Shed                          | Funding towards capital works and a fine air filter for the shed  | 5,000            |
| Heathcote Public School P&C                         | Funding to purchase catering equipment to provide healthy food to the students                          | 3,200            |
| Helensburgh Men's Shed                              | Funding towards a dust evacuation system for the new premises   | 5,000            |
| Helensburgh Tigers Rugby League Football Club       | Funding for a new electronic scoreboard   | 20,000           |
| Holsworthy Girl Guides                              | Funding for a sewerage system upgrade of their meeting hall   | 1,500            |
| Holy Cross Catholic Primary School                  | Funding to make 'Kincumba Walk' accessible to wheelchairs and the elderly                               | 8,500            |
| Holy Trinity Anglican Church on the Kameruka Estate | Funding to repair and upgrade the current road access and construct a remembrance at the War Memorial   | 5,500            |
| Hope Fund for Nurses at Nepean Hospital             | Donation in support of the Hope Fund for Nurses at Nepean Hospital                                      | 25,000           |
| ICC Cricket Club                                    | Funding to resurface four cricket pitches at Gannons Park, Peakhurst                                    | 25,000           |
| Jindabyne Amateur Swimming Club                     | Funding towards electronic stop watches   | 5,000            |
| Jindabyne Pony Club                                 | Funding assistance for repairs to the club house, in particular the replacement of cladding and windows | 5,000            |
| Keystrokes  | Funding to Keystrokes for resources and overheads   | 1,000            |

| Name of Organisation                     | Nature and purpose of grant  | Amount paid (\$) |
|--|--|------------------|
| Kiama Farmers' Market Inc                | Funding to offset costs associated with relocating venues after extensive storm damage                                     | 2,500            |
| Kings Langley Junior Cricket Club        | Funding for training and protective equipment to be shared amongst junior teams  | 2,000            |
| Lifeline                                 | Funding for counsellor training to secondary schools in the Lifeline Northern Beaches' footprint                           | 10,000           |
| Lifeline Hunter Central Coast (LLHCC)    | Funding to help thousands affected by the Royal Commission into Institutional Responses to child Sexual Abuse              | 60,000           |
| Lions Club of Taree                      | Funding to purchase a semi-permanent marquee to host community events  | 20,000           |
| Lismore City Bowling and Recreation Club | Funding towards the cost of replacing kitchen equipment in the Club  | 8,000            |
| Lismore Little Athletics                 | Funding to replace sporting equipment lost during the recent floods  | 7,750            |
| Locals Against Graffiti And Gangs        | Funding for equipment to remove graffiti   | 2,000            |
| Lord Howe Island Woodhens Rugby Union    | Funding to purchase equipment to support the club  | 1,000            |
| Manilla Fishing Club and Hatchery        | Funding for tables and chairs for the headquarters at Pelican Point in Manilla   | 2,000            |
| Manly Bombers Junior AFL Club            | Funding for new lightweight, aluminium hockey goals  | 3,000            |
| Manly Women's Shelter                    | Funding to purchase new lockable bedside tables  | 3,000            |
| Marine Rescue NSW                        | Funding to construct a garage to protect and store the marine vessel   | 20,000           |
| Michael Hughes Foundation                | Funding to purchase two defibrillators for Livvi's Place and the Concord Ryde Sailing Club                                 | 6,000            |
| MidCoast Council                         | Funding for the construction of a footpath from the shopping precinct to the Old Bar Beach                                 | 15,000           |
| MidCoast Council                         | Funding support for the 2018 Seniors Concert Series  | 15,000           |
| Miracle Babies Foundation                | Donation to support the foundation   | 10,000           |
| Miranda Public School P&C                | Funding for an electronic message board  | 10,000           |
| Mosman Public School P&C                 | Funding towards an access ramp at the front entrance to the school   | 5,000            |
| Mr Paul and Ms Helen Arkley              | Donation to support fundraising efforts, with all money raised going to Kaleidoscope John Hunter Children's Health Network | 1,000            |
| Mr Philip Chan                           | Funding towards the cost of attending the APEC Youth Summit in Peru  | 2,500            |



| Name of Organisation   | Nature and purpose of grant   | Amount paid (\$) |
|--|---|------------------|
| National Multicultural Women's Conference 2016                 | Funding support towards the inaugural National Multicultural Women's Conference 2016  | 25,000           |
| NCOSS  | Funding to promote the economic empowerment of women in NSW throughout their life cycle   | 25,000           |
| Neutral Bay Public School                                      | Funding towards air conditioning for two classrooms   | 10,000           |
| New City Cricket Club  | Funding to upgrade the net training facility  | 20,000           |
| Newcastle Agricultural, Horticultural & Industrial Association | Donation in support of the Newcastle Regional Show 2017   | 40,000           |
| North Ryde Community Aid & Information Centre Inc              | Funding for a new multifunction printer   | 5,000            |
| Northside Enterprise   | Funding towards a new Bushlink vehicle  | 20,000           |
| Orana Women's Health   | Funding for a part-time domestic violence case manager position up to 12 months while arrangements are made to secure ongoing recurrent funding | 20,000           |
| Orange Sky Laundry   | Donation in support of Orange Sky Laundry   | 50               |
| Our Lady of Perpetual Succour School                           | Funding to transform outdoor spaces into inspiring playful learning environments  | 8,000            |
| Our Lady Star of the Sea                                       | Funding towards an outdoor stage area   | 20,000           |
| Panania Diggers Club   | Funding towards a 25-pound-long barrel gun from the Cowra War for the Rail and Rural Museum   | 2,000            |
| Parramatta City Football Club                                  | Funding to upgrade facilities at the club   | 10,000           |
| Peakhurst Retirement Village                                   | Funding for outdoor seating throughout the 10 acre site   | 3,000            |
| Peakhurst West Public School P&C                               | Funding to remove old cricket nets and replace with new ones  | 5,000            |
| Penshurst West Cricket Club                                    | Funding to remove old cricket pitch and installation of a new synthetic pitch at Olds Park  | 15,000           |
| Pioneer Clubhouse Balgowlah                                    | Funding towards a social enterprise where members produce herbs and vegetables to sell at Manly Farmer's Market                                 | 7,000            |
| Pottsville Tennis Club   | Funding to upgrade the perimeter fencing at the Club  | 10,000           |
| Pozieres French-Australian School Project                      | Funding towards the design and architectural elements of the Pozieres French-Australian School Project  | 50,000           |
| Pyree Literary Institute                                       | Funding towards an upgrade of the Pyree School of Arts Hall   | 5,000            |
| Queanbeyan Whites Rugby Union Club                             | Funding to help purchase equipment  | 1,000            |
| Reserve Forces Day Council Inc                                 | Funding towards Reserve Forces Day National Parade in Sydney on Sunday 2 July 2017  | 20,000           |

| Name of Organisation  | Nature and purpose of grant   | Amount paid (\$) |
|---|---|------------------|
| Returned and Services League of Australia (NSW Branch)        | Funding in relation to the ANZAC Day Commemorations   | 25,000           |
| Returned and Services League of Australia (NSW Branch)        | Funding in relation to the ANZAC Day Commemorations   | 50,000           |
| Riverina Conservatorium of Music                              | Funding towards detailed architectural plans as part of a business case to present to DPC                   | 7,000            |
| Rotary Club of Great Lakes                                    | Funding towards the installation of an electric barbecue at the Lone Pine Memorial Park Tuncurry            | 10,000           |
| Rotary Club of Roseville Chase                                | Funding assistance towards the purchase of a van and refrigerator to assist with meals on wheels deliveries | 4,000            |
| Rotary Club of Wingham  | Funding towards the construction of exercise equipment in Central Park Wingham                              | 15,000           |
| Royal Humane Society of NSW                                   | Funding to assist with Annual Bravery Awards  | 5,000            |
| Ryde Area Supported Accommodation for Intellectually Disabled | Funding towards sensory panels for the residents  | 5,000            |
| Saint Stylianos Greek Orthodox Parish Gymea                   | Funding towards air-conditioning at the church  | 15,000           |
| Salvation Army Red Shield Appeal                              | Donation in support of the 2017 Red Shield Appeal   | 200,000          |
| Scarborough Public School                                     | Funding to upgrade classrooms into a more flexible learning environment                                     | 10,000           |
| Scarborough Wombarra Surf Lifesaving Club                     | Funding to purchase an All Terrain Vehicle so they can operate effectively in the upcoming season           | 20,000           |
| Scotts Head Public School                                     | Funding towards a school-community project for local indigenous youth                                       | 10,000           |
| Sing Australia Sutherland                                     | Funding towards performances for financially strapped groups  | 2,000            |
| SMS Lighthouse  | Donation in support of a women's refuge   | 10,000           |
| Snowy Mountains Bowmen  | Funding to purchase new archery targets for their sports club   | 2,000            |
| St George Men's Shed  | Funding towards programs such as carpentry, furniture making and computer skills                            | 5,000            |
| St John Ambulance Australia (NSW)                             | Funding to purchase a defibrillator and an oxygen set   | 4,000            |
| St Mary's RSL Sub Branch                                      | Funding towards a substantial Memorial upgrade  | 20,000           |
| St Patrick's School Bega P&F Association                      | Funding towards the cost of multi goal posts and safety pads  | 4,500            |
| Surfing NSW   | Funding to help offset costs associated with sharks in NSW waters   | 100,000          |

| Name of Organisation                                  | Nature and purpose of grant   | Amount paid (\$) |
|---|---|------------------|
| Sussex Inlet Foundation for Community Development     | Funding to upgrade the kitchen facilities at the Neighbourhood Centre                         | 5,000            |
| Sussex Inlet RSL Sub Branch                           | Funding for repairs to the hall access  | 12,903           |
| Sutherland Shire Family Services                      | Funding towards kitchen renovations at the centre in Jannali                                  | 4,465            |
| Sydney Children's Hospital Foundation                 | Donation to Sydney Children's Hospital Gold Telethon 2017                                     | 25,000           |
| Sydney Special Children's Christmas Party             | Funding for the Special Children's Christmas Party 2016                                       | 15,000           |
| Terrigal Fifty Plus Leisure and Learning Centre       | Funding to purchase and install a defibrillator   | 2,500            |
| The City of Liverpool and District Historical Society | Funding to purchase new computers and printers  | 3,373            |
| The Entrance North Progress Association               | Funding towards a small playground at Matron Simpson Reserve                                  | 9,526            |
| The Hunter Region Botanic Gardens                     | Funding for a new PA system   | 1,800            |
| The Kidzwish Foundation Inc                           | Funding towards the Annual KidzWish Children's Christmas Party                                | 15,000           |
| The Music Teachers' Association of NSW                | Funding towards running costs at the association's annual conference                          | 500              |
| The Primary Club of Australia Inc                     | Funding support to help offset costs associated with Marathon Cricket event at the SCG        | 25,000           |
| The Restore Op-Shop                                   | Funding towards shelving to accommodate food bank and office supplies                         | 2,000            |
| The Trustee for the ANZAC Memorial Building Fund      | Funding to purchase the General Maurice Charles O'Connell collection for the Anzac Memorial   | 130,000          |
| The Woolgoolga Shed Inc                               | Funding assistance to expand their current premises to accommodate expanding membership       | 15,000           |
| Toongabbie Public School P&C                          | Funding for equipment, learning modules and facilitator fees for the school Robotics Club     | 2,500            |
| Toongabbie Public School P&C                          | Funding towards a new oven and kitchen equipment  | 2,000            |
| Toongabbie West Public School P&C                     | Funding for sun sails to improve sun safety for students and teachers during breaks           | 2,500            |
| Tour De Cure  | Donation to 'Tour de Cure' who fundraise to find a cure for cancer                            | 10,000           |
| Tullera Community Hall                                | Funding towards the cost of securing the hall   | 5,670            |
| Tweed Domestic Violence Integrated Response Committee | Donation towards White Tie Ball with funds raised going to support Domestic Violence programs | 1,000            |

| Name of Organisation                      | Nature and purpose of grant   | Amount paid (\$) |
|---|---|------------------|
| Tweed Palliative Support                  | Donation towards the annual fundraiser Giddy Up to assist Tweed Palliative Support  | 5,000            |
| Ulladulla Men's Shed                      | Funding towards stage three capital works which includes soundproofing, plumbing, drainage, pipework and roof ventilators | 5,000            |
| UN Women Australia                        | Funding support of Sydney's International Women's Day Breakfast 2017  | 30,000           |
| United Nations Association of Aust (NSW)  | Funding to be used towards celebrating UN day   | 7,000            |
| Wamberal Public School                    | Funding assistance to replace the school's sunshade   | 19,250           |
| Wendy Whiteley Secret Garden Trust        | Donation to Wendy Whiteley Secret Garden Trust to secure long term future of the Garden                                   | 30,000           |
| West Ryde Primary School                  | Funding for play equipment to accommodate students diagnosed with Autism Spectrum Disorder ASD                            | 7,500            |
| Western Sydney Community Forum            | Funding support of the 2017 ZEST Awards   | 5,000            |
| Western Sydney Women                      | Funding to assist with a research study with the University of Western Sydney   | 20,000           |
| Wingecarribee Adult Day Care Centre       | Donation in support of capital infrastructure at the Day Care Centre  | 20,000           |
| Wirraminna Environmental Education Centre | Funding towards construction of the administration facility at the Centre   | 16,000           |
| <b>Total number of grants : 159</b>       |   | <b>2,300,000</b> |

## Community War Memorials Fund

The Community War Memorials Fund was established in 2008 to provide grants to protect and conserve war memorials across NSW. The Fund plays an important role in preserving the wartime heritage of communities across the state and honouring the memory of veterans who served in those communities. In 2016–17 a total of 49 grants were provided to 44 recipients for a wide range of projects including statues, memorial gates, honour rolls and memorial halls. The Fund normally provides grants of up to \$10,000 to support projects that conserve and protect existing war memorials. Advice is provided to applicants to assist them to commission appropriate and well-informed conservation work. The 23 grants awarded prior to Veterans Affairs' move to the Department of Justice on 1 April 2017 are listed below. Grants awarded after 1 April 2017 are listed in the Department of Justice Annual Report.

| Name of Organisation  | Nature and purpose of grant   | Amount Committed (\$) |
|---|---|-----------------------|
| Auburn RSL Sub-Branch   | Conservation assessment of the St John's Anglican Church Cenotaph   | 3,000                 |
| Bathurst District Historical Society  | Placement of bronze plaque to commemorate each of the 24 volunteer nurses at the Bathurst War Memorial Carillon                     | 2,100                 |
| Billimari Public Hall and Recreation Reserve                                | Restoration of the Billimari World War II Honour Board  | 750                   |
| Cumberland Council  | Conservation assessment of the Merrylands Remembrance Park Memorial   | 2,520                 |
| Cumberland Council  | Conservation assessment of the Granville War Memorial   | 2,950                 |
| Denman Anglican Parish  | Repairs of Denman Anglican Parish Honour Board  | 2,909                 |
| Eurobodalla Shire Council   | Restoration and cleaning of the Nelligen War Memorial   | 3,500                 |
| Fairfield City Council  | Restoration of the Cabravale Memorial Park Mortar   | 10,000                |
| Gilgai Hall and Recreation Reserves Trust Incorporating Gilgai War Memorial | Conservation assessment of the Gilgai War Memorial  | 3,300                 |
| Kiama-Jamberoo RSL Sub-Branch   | Restoration of Robert Weir Memorial   | 10,000                |
| Lake Macquarie City Council   | Conservation assessment of the Killingworth War Memorial, West Wallsend War Memorial and the German trench mortar Speers Point Park | 4,009                 |
| Maclean RSL Sub Branch  | Restoration of the Maclean Cenotaph   | 4,545                 |
| MidCoast Council  | Restoration of the Taree War Memorial Clock   | 7,582                 |
| MidCoast Council  | Repair and painting of the Wingham War Memorial Hall's  | 8,954                 |

| Name of Organisation              | Nature and purpose of grant  | Amount Committed (\$) |
|-----------------------------------|--|-----------------------|
| North Sydney RSL Sub-Branch       | Improvements to the North Sydney Cenotaph  | 10,000                |
| Raymond Terrace - RSL Sub-Branch  | Conservation assessment of the Raymond Terrace War Memorial  | 3,000                 |
| Roseville RSL Sub Branch          | Restoration of the Roseville War Memorial and Honour Roll  | 5,610                 |
| Shoalhaven City Council           | Restoration of the Nowra Memorial Gates  | 4,545                 |
| Singleton Council                 | Upgrade of the Bulga Memorial Gates Honour Roll  | 3,500                 |
| South Grafton RSL Sub Branch      | Refurbishment of the South Grafton Cenotaph  | 6,820                 |
| Trustees Nowendoc Memorial Hall   | Upgrade of the Nowendoc War Memorial Hall's, restoration of the Memorial Plaques and decommissioned War Trophy Gun | 9,091                 |
| Tullamore War Memorial Hall       | Exterior painting of the Tullamore War Memorial Hall   | 8,958                 |
| Waverley Council                  | Conservation assessment of the Middle Head Submarine Mine Explosion Memorial                                       | 3,000                 |
| <b>Total number of grants: 23</b> |  | <b>120,645</b>        |

## Minister for Veterans' Affairs Miscellaneous Grant Fund

The Minister for Veterans' Affairs awarded six Miscellaneous Grants prior to Veterans' Affairs move to the Department of Justice on 1 April 2017 which are listed below. Grants awarded after 1 April 2017 are listed in the Department of Justice Annual Report.

| Name of Organisation                                     | Nature and purpose of grant  | Amount Committed (\$) |
|--|--|-----------------------|
| Bega Valley Shire Council                                | Repair of the memorial honour boards and plaques at the Bega Valley Commemorative Civic Centre | 5,000                 |
| Dapto High School  | Installation of an ANZAC commemorative plaque at Dapto High School                             | 1,000                 |
| Harrington-Crowdy Head War Memorial                      | Restoration of the Crowdy Head War Memorial  | 1,000                 |
| Lowe Square Committee of Management (Federation Council) | The preparation of a master plan of the Howlong War Memorial precinct                          | 5,000                 |
| Tamworth Regional Council                                | Repair and revitalisation of the Westdale Memorial Park  | 5,000                 |
| Trundle War Memorial Hall Committee                      | Plastering the soldiers room of the War Memorial Hall  | 1,000                 |
| <b>Total number of grants: 6</b>                         |  | <b>18,000</b>         |

## Other grants

| Name of Organisation                              | Nature and purpose of grant   | Amount Committed (\$) |
|---|---|-----------------------|
| International Education Association of Australia* | Support the International Education Association of Australia's advocacy efforts to encourage employers and other stakeholders in NSW to hire international students                               | 5,500                 |
| Intersective*                                     | Support Intersective to deliver a work-integrated learning program for over 400 international students in NSW   | 60,000                |
| Redfern Legal Centre*                             | Support Redfern Legal Centre to deliver a free legal advice service to international students in NSW  | 60,000                |
| University of New England*                        | Support the University of New England to establish an 'International hub' referral service with a range of health and wellbeing programs for all international students in the New England region | 18,000                |
| University of NSW                                 | Australian Research Council (ARC) Linkage Project Centre for Economic and Regional Development and University of NSW  | 40,563                |
| <b>Totals</b>                                     | <b>Total number of grants: 5</b>  | <b>184,063</b>        |

\*The above grants are part of StudyNSW's Partner Projects which are co-funded with the international education industry to enhance the international student experience and improve the competitiveness of NSW's international education sector.

# HUMAN RESOURCES

## Human resource statistics

As at 30 June 2017

### Public sector senior executive

The following table relates to DPC public sector senior executive (PSSE) roles.

| Band                        | 2015-2016 |      | 2016-2017 |      |
|-----------------------------|-----------|------|-----------|------|
|                             | Female    | Male | Female    | Male |
| Band 4 (Secretary)          | 0         | 1    | 0         | 1    |
| Band 3 (Deputy Secretary)   | 2         | 4    | 3         | 4    |
| Band 2 (Executive Director) | 8         | 7    | 8         | 8    |
| Band 1 (Director)           | 33        | 22   | 31        | 24   |
| Totals                      | 43        | 34   | 42        | 37   |
|                             | 77        |      | 79        |      |

Please note: only executives occupying a role—excludes secondments/leave without pay/maternity leave.

| Band                        | Range(\$)         | Average Remuneration |                |
|-----------------------------|-------------------|----------------------|----------------|
|                             |                   | 2015-2016 (\$)       | 2016-2017 (\$) |
| Band 4 (Secretary)          | 441,201 – 509,750 | 621,724              | 649,640        |
| Band 3 (Deputy Secretary)   | 313,051 – 441,200 | 446,846              | 433,354        |
| Band 2 (Executive Director) | 248,851 – 313,050 | 279,025              | 290,052        |
| Band 1 (Director)           | 174,500 – 248,850 | 214,150              | 221,096        |

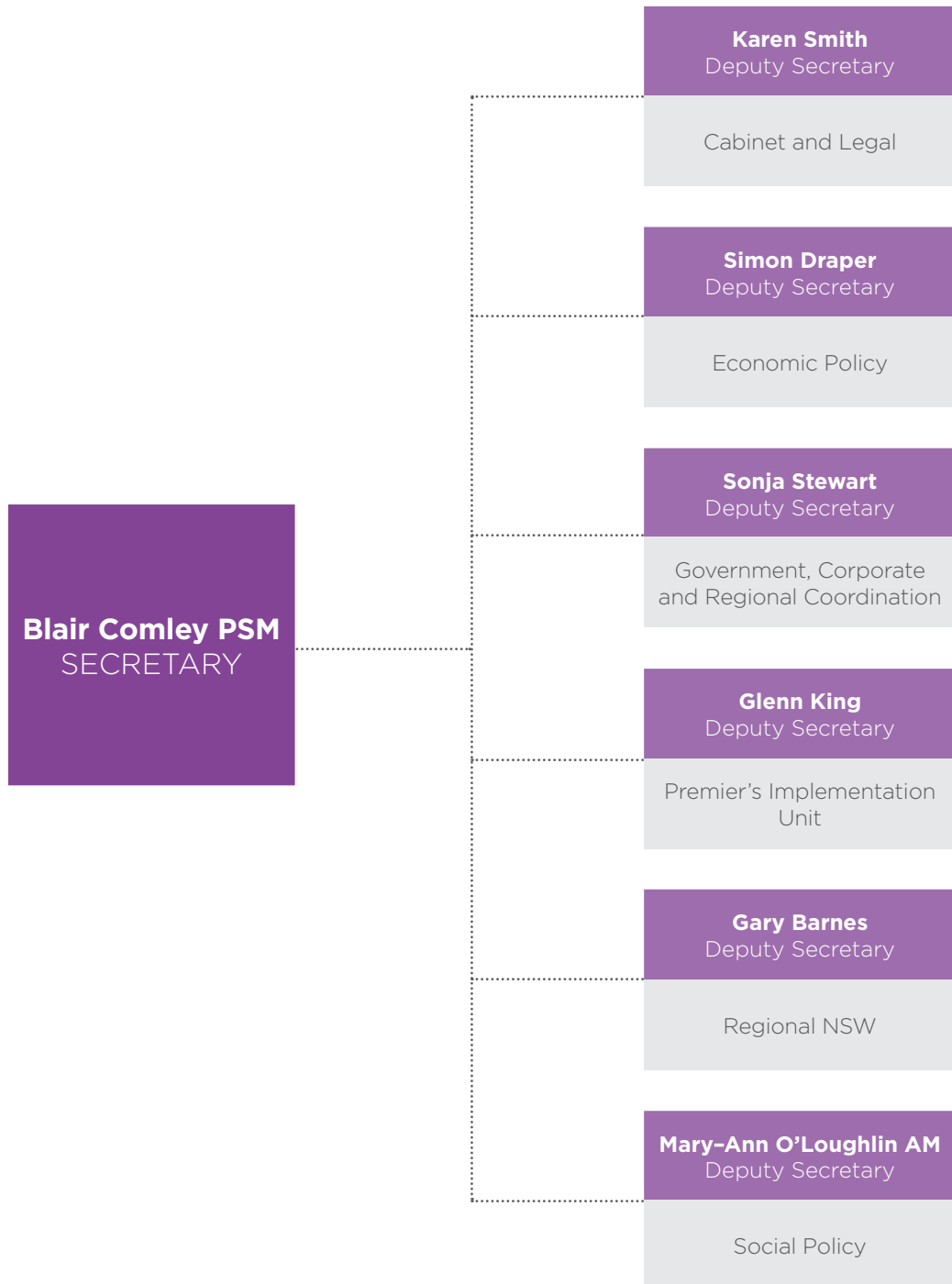
Secretary's employment contract provides for a discretionary remuneration range of up to 12 per cent in addition to the base remuneration. Discretionary remuneration is included above in the year paid.

Executive salaries represent 24.52% overall salaries related expenses for 2016/2017.



## DPC public sector senior executive organisation chart

As at 30 June 2017



## Trends in the distribution of EEO groups

| EEO group   | Benchmark/<br>Target | 2015 | 2016 | 2017 |
|---|----------------------|------|------|------|
| Women   | 100                  | 107  | 104  | 105  |
| Aboriginal People and Torres Strait Islanders                 | 100                  | N/A  | N/A  | 97   |
| People whose first language spoken as a child was not English | 100                  | 90   | 92   | 92   |
| People with a disability                                      | 100                  | 87   | 81   | 83   |
| People with a disability requiring work-related adjustment    | 100                  | N/A  | N/A  | N/A  |

Note 1: 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 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.

Note 2: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20. This is denoted on the table as N/A.

## Staff profile by employment category

The following table shows the number of officers and employees DPC employed by category over four years (excluding casuals).

|  | 2014       |            | 2015       |            | 2016       |            | 2017       |            |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
|  | Men        | Women      | Men        | Women      | Men        | Women      | Men        | Women      |
| Permanent full-time                          | 128        | 188        | 133        | 191        | 143        | 256        | 174        | 274        |
| Permanent part-time                          | 1          | 40         | 1          | 46         | 3          | 40         | 6          | 52         |
| Temporary full-time                          | 14         | 26         | 11         | 29         | 11         | 27         | 23         | 29         |
| Temporary part-time                          | 0          | 10         | 0          | 4          | 0          | 6          | 1          | 7          |
| Contract-public service senior executive     | 23         | 29         | 26         | 28         | 37         | 52         | 36         | 42         |
| Contract-non public service senior executive | 1          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Training positions                           | 0          | 0          | 0          | 1          | 0          | 0          | 0          | 0          |
| Retained staff                               | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| <b>Total</b>                                 | <b>167</b> | <b>293</b> | <b>171</b> | <b>299</b> | <b>194</b> | <b>381</b> | <b>240</b> | <b>404</b> |

Source: Workforce Profile Data

# LEGAL

## Legislation and legal change

### Acts allocated to the Premier

#### (as at 30 June 2017)

- *Australia Acts (Request) Act 1985 No 109*
- *Barangaroo Delivery Authority Act 2009 No 2*
- *Competition Policy Reform (New South Wales) Act 1995 No 8*
- *Constitution Act 1902 No 32*
- *Constitution Further Amendment (Referendum) Act 1930 No 2*
- *Constitution (Legislative Council Reconstitution) Savings Act 1993 No 19*
- *Crown Lands Act 1989 No 6*, so far as it relates to the Crown Reserve known as Government House Sydney, reserve number 1037869
- *Election Funding, Expenditure and Disclosures Act 1981 No 78*
- *Essential Services Act 1988 No 41*, Parts 1 and 2
- *Government Advertising Act 2011 No 35*
- *Government Sector Employment Act 2013 No 40* (except Part 4, Division 6, jointly with the Minister for Industrial Relations)
- *Growth Centres (Development Corporations) Act 1974 No 49*, so far as it relates to the UrbanGrowth NSW Development Corporation
- *Independent Commission Against Corruption Act 1988 No 35*
- *Independent Commission Against Corruption Amendment Act 2016 No 65*
- *Independent Commission Against Corruption (Commissioner) Act 1994 No 61*
- *Independent Pricing and Regulatory Tribunal Act 1992 No 39*
- *Infrastructure NSW Act 2011 No 23*
- *Interpretation Act 1987 No 15*
- *Legislation Review Act 1987 No 165*
- *Licensing and Registration (Uniform Procedures) Act 2002 No 28*
- *Lobbying of Government Officials Act 2011 No 5*
- *Major Events Act 2009 No 73*
- *Members of Parliament Staff Act 2013 No 41*
- *Multicultural NSW Act 2000 No 77*, jointly with the Minister for Multiculturalism
- *Mutual Recognition (New South Wales) Act 1992 No 61*
- *Natural Resources Commission Act 2003 No 102*
- *Ombudsman Act 1974 No 68*
- *Parliamentary Electorates and Elections Act 1912 No 41*
- *Parliamentary Evidence Act 1901 No 43*
- *Parliamentary Precincts Act 1997 No 66*
- *Parliamentary Remuneration Act 1989 No 160*
- *Police Integrity Commission Act 1996 No 28, Part 6*
- *Public Finance and Audit Act 1983 No 152*, sections 28, 28A, 29, 30, and Schedule 1
- *Public Interest Disclosures Act 1994 No 92*
- *Royal Commission (Police Service) Act 1994 No 60*
- *Royal Commissions Act 1923 No 29*
- *Seat of Government Surrender Act 1909 No 14*
- *Seat of Government Surrender Act 1915 No 9*
- *Senators' Elections Act 1903 No 9*
- *Special Commission of Inquiry (James Hardie Records) Act 2004 No 78*
- *Special Commissions of Inquiry Act 1983 No 90*
- *State Arms, Symbols and Emblems Act 2004 No 1*
- *State Owned Corporations Act 1989 No 134* (except section 37B, the Minister for Finance, Services and Property)
- *Statutory and Other Offices Remuneration Act 1975 (1976 No 4)*
- *Subordinate Legislation Act 1989 No 146*
- *Succession to the Crown (Request) Act 2013 No 53*
- *Trans-Tasman Mutual Recognition (New South Wales) Act 1996 No 102*
- *Transport Appeal Boards Act 1980 No 104*
- *Water Industry Competition Act 2006 No 104, Part 3*

## New and amending legislation

### New and amending legislation in Premier's portfolio

#### (Acts assented to during 2016–17)

- *Independent Commission Against Corruption Amendment Act 2016 No 65*
- *Parliamentary Contributory Superannuation Amendment (Criminal Charges and Convictions) Act 2017 No 18*
- *Statute Law (Miscellaneous Provisions) Act 2017 No 22*
- *Statute Law (Miscellaneous Provisions) Act (No 2) 2016 No 55*

### Premier's portfolio Acts repealed during 2016–17

- *Licensing and Registration (Uniform Procedures) Amendment (Photo ID) Act 2004 No 105*
- *Statute Law (Miscellaneous Provisions) Act (No 2) 2015 No 58*
- *Statute Law (Miscellaneous Provisions) Act (No 2) 2016 No 55*

### New and amending regulations in the Premier's portfolio

#### (Regulations made during 2016–17)

- *Election Funding, Expenditure and Disclosures Amendment (Local Government Campaign Accounts) Regulation 2016*
- *Government Sector Employment Amendment (Consequential Amendments) Regulation 2016*
- *Government Sector Employment Amendment (Health Service Senior Executives) Regulation 2016*
- *Government Sector Employment Amendment (Transfer of Staff of Sydney Cricket and Sports Ground Trust) Regulation 2017*
- *Government Sector Employment Amendment (Transitional Internal Audit Senior Executives) Regulation 2017*
- *Government Sector Employment (Health Service Senior Executives) Rules 2016 Government Sector Employment Rules (Amendment No 6—Consequential Amendments) 2016*
- *Government Sector Employment Rules (Amendment No 7—Miscellaneous) 2016*
- *Government Sector Employment Rules (Amendment No 8—Agency Heads) 2017*
- *Independent Commission Against Corruption Amendment (Commissioners) Regulation 2017*
- *Mutual Recognition (New South Wales) Temporary Exemptions Regulation 2016*
- *Trans-Tasman Mutual Recognition (New South Wales) Temporary Exemptions Regulation 2016*

### Acts allocated to the Minister for Regional New South Wales

#### (as at 30 June 2017)

- *Regional Development Act 2004 No 58*
- *Regional Relocation Grants (Skills Incentive) Act 2011 No 26, section 26A*
- *Very Fast Train (Route Investigation) Act 1989 No 4*



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Rainforest Botanic Gardens  
Lismore

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Nobbys Beach  
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Miner's Memorial at the Line of Lode mine  
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Barangaroo  
Sydney

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Pitt Street  
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George Street  
Sydney

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